

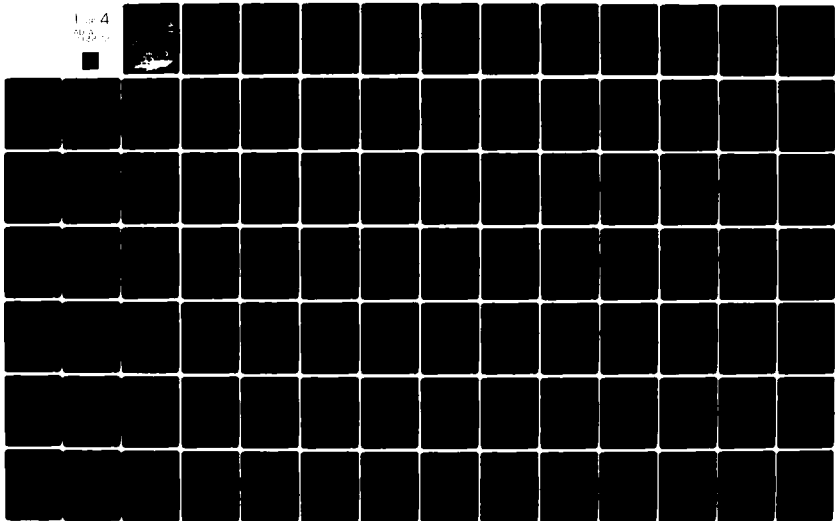
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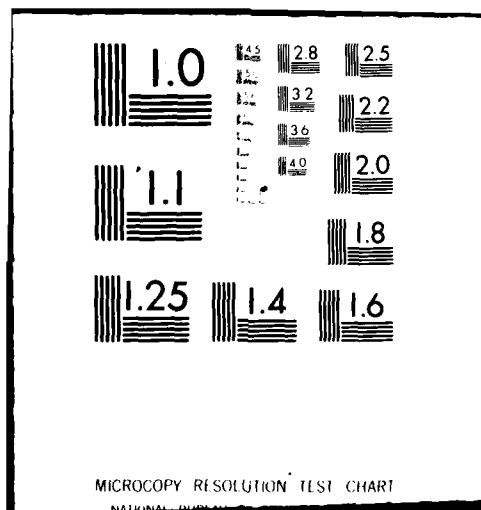
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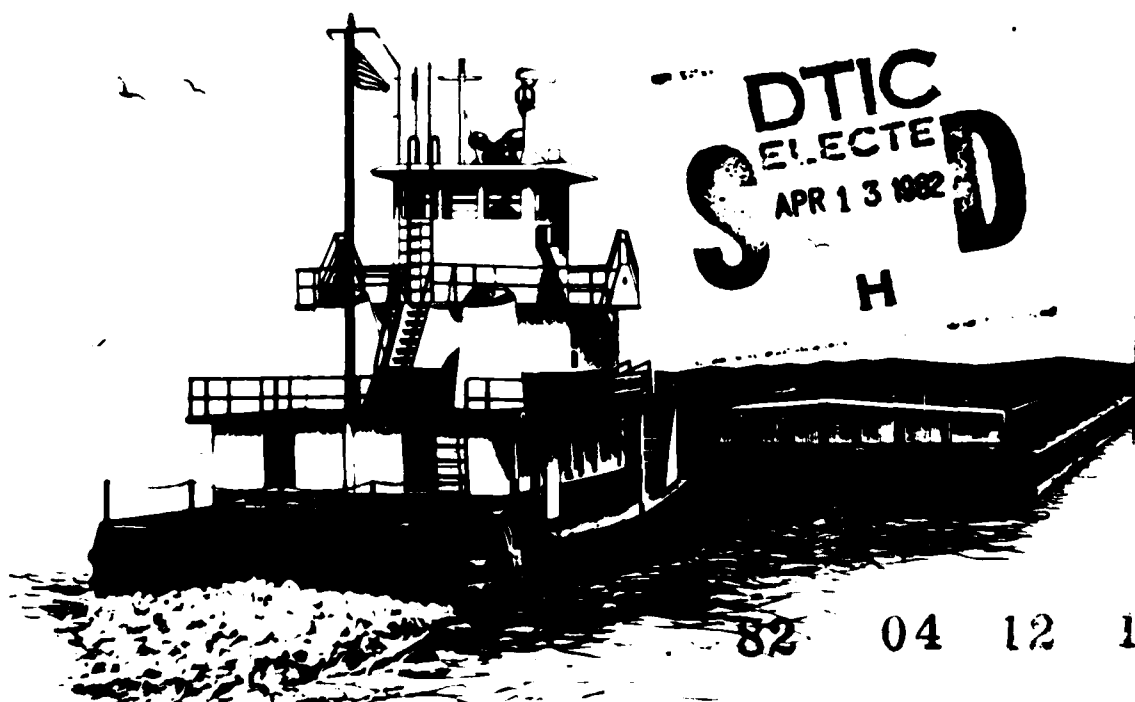
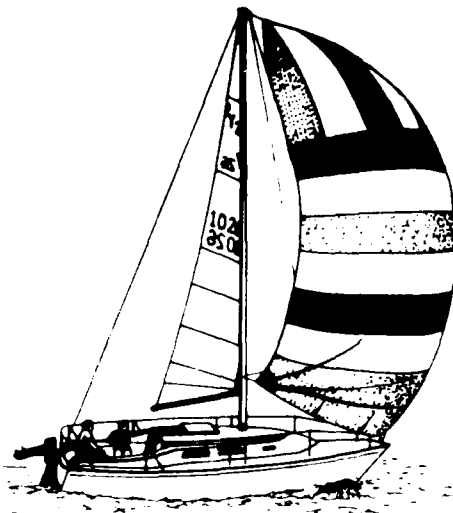
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**Social Impacts
Of McClellan-Kerr
Navigation System:**

A Study Of Public Sector Response To Water Resource Development



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A STUDY OF PUBLIC SECTOR RESPONSE TO WATER RESOURCE DEVELOPMENT

A Report Submitted to:

**U.S. Army Engineer Institute for Water Resources
Kingman Building
Fort Belvoir, Virginia 22060**

By

**Albert Schaffer
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of

Texas A & M University

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PREFACE

This study uses the concept of community to analyze the "impact" of the McClellan-Kerr Navigation Project. Selection of this perspective was based on the belief that various consequences, e.g., economic, recreational, environmental, took place through a sequence of events that involved various structures within the particular cities along the Arkansas River. Expansion of industry, increase in shipments from a port, investment in new material handling equipment and other consequences are not always explained adequately by the operation of market forces. Supply and demand, for example, may not suffice to explain the faith which leaders in a community may have in the potential contribution that a port and the navigation system may make to area development. Leadership action and inaction, the manner in which various organizations carry out tasks concerning the use of a navigation system also influence industrial and population change.

This perspective was especially helpful in the analysis of the principal problem assigned the researchers: how can one account for the differences in the reaction of certain cities to the navigation system? Why did one city make a large and another a much smaller investment in port facilities? Why is tonnage higher at a port which cost much less than at one where millions have been spent for equipment and related facilities? What do these and related areas of community organization signify about the future development of industry and commerce along the waterway?

While these questions are framed mostly in economic terms, the navigation system exerts an influence mainly through various types of organizations. These organizations represent the instrumentalities whereby community objectives are achieved. Port authorities, economic development agencies, trade associations, river basin associations and local government are important parts of the community's instrumental apparatus. Variations between communities in degree of and type of port development and growth of industry, for example, are due to some degree to differences in the efficacy of these organizations.

Another area that is assumed to have long term significance for local development, and for the ultimate impact of MKNP, pertains to the manner in which each city responds to the various problems brought on by economic and population growth. If these are mishandled, if decay spreads rapidly, tax rates rise steeply and the central business district becomes a ghost town, the community may well lose whatever competitive advantages it once had in the struggle to attract new and retain current employers. Over the long run, the contribution of MKNP to local development depends in part on the efficacy of growth management efforts.

The study also explores some of the factors outside the community which influence the uses made of the navigation system. These include regional and state agencies and various national organizations. Some agencies provided resources needed by cities to more fully utilize the navigation system, while other features constrained development.

Believing that local government, along with various organizations, could be a principal agency in most decisions concerning the waterway, a "team" consisting of two sociologists and a political scientist, Dr. Gary Halter, conducted the research. Dr. Halter concentrated on the political aspects while the two sociologists focused on other local structures, such as leadership and the Chamber of Commerce. Due mainly to differences in subject matter, the reader may note variations in viewpoint between the two chapters written by Dr. Halter, 9 and 10, and the remaining chapters. This stems from the various constraints to which local government was subjected, especially in Arkansas. In the remaining chapters the sociologists were concerned, to varying degrees, with leadership views and decisions which tended to be growth oriented, but not necessarily focused exclusively on MKNP.

Some readers may feel that the report has a "pro-growth bias." The researchers had no choice but to take as a point of departure the views of local leaders toward the navigation system and community development. The influence of these factors on the decisions directly and indirectly connected to the waterway had to be understood. The authors have studiously tried to maintain objectivity and detachment, although economic development is believed to be the major vehicle whereby the incomes of inhabitants and the quality of education, hospitals and other institutions can be improved. The authors, however, take considerable pains to delineate the different approaches to growth in the various cities, and their relevance for MKNP.

Many persons contributed to completion of this study. Virtually all the persons contacted for interviews were highly cooperative. Many of these busy men spent an hour or more talking frankly about their communities after ordering secretaries "to hold all calls." A few of these respondents read various sections of the preliminary report and made many valuable suggestions. Don McBride helped us to understand the dynamics involved in gaining and the rationale behind construction of the waterway. John M. McCann, Jr. used his considerable editorial skills to strengthen the manuscript. The three graduate students who participated in the study, Nan Ellyn Brown, Sue Richardson and Dan Yazak, more than lived up to expectations in performing a variety of difficult assignments. Our secretary, Mrs. Julia Bower, performed services too numerous to mention. Special thanks go to George Antle and Bob Summitt who provided a rare opportunity to conduct a study of comparative urbanization and whose cooperation made the association with the Corps of Engineers both rewarding and pleasant.

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SUMMARY OF FINDINGS

OVERVIEW

The McClellan-Kerr Navigation System represented one of the more ambitious and expensive civilian construction projects built by the Corps of Engineers. A 9-foot channel was built from the Mississippi River to Catoosa, near Tulsa, a distance of approximately 450 miles, requiring 17 locks and dams, 3 large upstream and several smaller reservoirs. Cost to the taxpayers was roughly a billion and a half dollars.

Proponents among local leaders anticipated a number of important benefits. These included control of floods and drought, improved municipal water supply, water transportation, a modest amount of hydroelectric power, and various recreation facilities. Cities near the Arkansas River gained the opportunity to become inland ports and to be part of the national and global network of port cities. Becoming a port city would change the number and location of urban and rural centers with which economic exchanges took place. These changes also could have important psychological effects, by increasing confidence in the area's future. This optimistic assessment could encourage capital investment in the community both by insiders and outsiders.

The leading proponents of MKNP also believed that it would greatly encourage industrial development in the river valley. Establishment of steel, chemical and other large economic complexes was envisioned. If each port city became a major employment center, population would grow, incomes rise, the quality of services improve and the outward migration of young people finally come to a halt. Construction of the navigation system was part of a long run plan for development held for many years by some of the leaders in the river valley.

The responsibility for implementing this plan of development rested to a large degree with the respective communities since various proposals for establishing regional authorities were defeated. During the long struggle to obtain construction of MKNP, local interests and leaders jealously guarded community autonomy. A proposal made in the thirties to establish a regional authority similar to T.V.A. to guide development was defeated. A more modest proposal several decades later for a bistate commission to perform similar functions also came to naught. In addition, the process whereby the decision was made to construct the navigation system did not require formal commitments from local officials as to the contribution that would be made for port and other improvements. Apart from a tacit moral obligation, local interests had considerable latitude in deciding these matters in the context of community objectives and capabilities. The uneven pattern of local response raises questions as to the efficacy of these procedures.

The study of MKNP concentrated on the five cities which established public ports: Pine Bluff, Little Rock, Fort Smith, Muskogee and Tulsa. The public ports were expected to play a major if not decisive role in development of the river valley as the communities in which they were located were larger, had more resources and know-how than the smaller communities. The latter were not ignored, however; leaders in towns such as Sallisaw, Ozark, Conway, Morrilton, Russellville, and Dardanelle also were interviewed.

The remainder of this chapter discusses the information in Table S.1, on the following page, which provides an overview of each city's involvement in MKNP, exclusive of private investment in the port. Support for the waterway, when measured in terms of per capita contribution of local funds, is highest in Tulsa with Muskogee and Fort Smith far behind. Funding from other public sources, mainly Federal agencies, places Pine Bluff, Tulsa, and Little Rock in similar positions. Muskogee, on the other hand, is far ahead while Fort Smith is far behind the others.

Another indicator of local interest in the waterway is the number of local firms which use "port city" as part of its title. This indicates the degree to which businessmen feel that the waterway has caught the fancy of the public. Once again Muskogee, for its size of population, ranks high. In terms of performance, however, results are disappointing as tonnage for 1976 is the lowest of the five ports. Muskogee has not produced results commensurate with investment, both financial and psychological, in the port. Fort Smith, in contrast, has a respectable performance in terms of tonnage and interest relative to the minimal financial investment. Little Rock has a strong showing in tonnage although the port and waterway seem to have received little buildup from the local news media. The two strongest ports on all three indicators are Tulsa and Pine Bluff.

In terms of tonnage, three of the five ports have performed well and two have not. The seriousness of this situation for long run industrial development along the waterway is suggested by the following: Oklahoma has only one public port that presently serves as an important impetus to growth; the port in Arkansas which lags behind the other two is located in an area which, due to rapid industrial growth, might have contributed more to this type of expansion at the port.

PROBLEMS INVOLVED IN BECOMING A PORT CITY

Under the best of circumstances, port development and its contribution to the local economy would occur gradually, perhaps imperceptibly during the early years. A new form of transportation has to be introduced to the community, one with which most executives and financiers have little or no experience. A complex organizational machinery has to be established for administering and developing the port, which also has to be meshed with existing organizations responsible for economic development. It would be surprising if coordination of effort could be achieved without

TABLE S-1

PORT INVESTMENT, TONNAGE, AND LOCAL FIRMS WITH "PORT CITY"
IN THEIR TITLE FOR THE FIVE CITIES WITH PUBLIC PORTS

Characteristic	Pine Bluff	Little Rock	Fort Smith	Muskogee	Tulsa
1970 Population of Area in Port Authority's Jurisdiction ¹	85,329	132,483	62,802	59,542	429,088
Public Investment in Port Development - 1974 ²					
Local	\$2,858,050	\$4,898,235	\$559,450	\$1,557,000	\$21,582,000
Total Public Funds	5,364,051	6,696,625	952,950	6,779,100	22,155,000
Per Capita Local Funds	34	37	9	26	50
Per Capita Total Public Funds	63	51	15	114	52
1976 Port Tonnage ³	1,168,434*	560,000	140,000	67,329	747,555
Number of Local Firms with "Port City" in Title - 1975 ⁴	4	0	3	8	17

*This figure includes tonnage at several private ports in the Pine Bluff area which are not included for the other ports.

¹U.S. Bureau of the Census, Census of Population, 1970, Vol. 1, Characteristics of the Population, Part 5, Arkansas, pp. 33-34; Part 38, Oklahoma, pp. 16-17. Washington, D.C.: U.S. Government Printing Office, 1973.

²Institute for Water Resources Contract Report 74-5, 1974.

³Office of Port Authority Director.

⁴1975 Telephone Directory.

friction and perhaps rivalry among those responsible for bringing industry to the community. Decisions have to be made on staffing, on the type of material handling equipment the port must have, and on warehouse and railroad facilities. Since millions of dollars are involved in these decisions, caution and deliberation are to be expected. The growth of tonnage on the waterway since completion, of approximately seven million tons by the end of 1976, despite periods of heavy rainfall and economic recession, has to be considered an impressive achievement.

Examination of developments at the local level reveals some of the problem solving experiences involved in the addition of an inland waterway to the city's transportation system. Selecting the "right" person to manage the port proved troublesome in several cities. Tulsa, Muskogee, and Little Rock had difficulties with the first person employed in this capacity and in each instance the individual resigned after a relatively brief tenure. Port authority members apparently learned much from this experience as satisfaction with the successors seemed to be much greater. Among the factors causing difficulty were the person's inability to get along with other specialists in the community responsible for industrial recruitment, a lack of familiarity with the process of recruiting industry and/or timidity in developing the port.

Another crucial decision concerns the type of agency selected to manage the port, whether a private firm or a public port authority. The former has worked well in Pine Bluff and Fort Smith but not in Muskogee. Experiences with private firms suggest several factors that could cause serious difficulty. The decision may be made in part from the desire to shift responsibility for capital investment in port facilities from the community to the private firm. This seems to work, judging from the Pine Bluff experience, where substantial development already has been made and the private firm is mainly responsible for adding to existing facilities that had been built at public expense. Where this is not the case the private firm may be reluctant to take the risks in development, a factor that can cause considerable friction with the port authority. An equally important problem concerns the type of firm selected. In choosing the Pine Bluff Warehouse Company, officials at Pine Bluff and Fort Smith selected a firm whose principal business was transportation. The company had a great interest in succeeding at the two ports. For The Williams Companies, however, the operation at Muskogee was a minor part of overall operations. It is unlikely that top executives of the corporation were as attentive to circumstances at the port as those at Pine Bluff Warehouse.

A third troublesome area concerned decisions on the types of commodities that would move through the port. The latter influenced investment in material handling equipment and storage facilities. Tulsa officials erred initially in concluding that grain would not come to Catoosa. Once this error had been corrected, and the requisite storage facilities built, the shipment of grain increased rapidly. Whether the amount would have been greater had the mistake not been made is conjectural. The shipment of bulk liquids also has grown rapidly at some ports

such as Tulsa and Muskogee, which might not have been the case at the latter if a private firm had not provided storage tanks. While similar mistakes might have been avoided by more careful study of the regional economy served by the port, there may be no substitute in the long run for experience. Similar considerations apply to decisions on the timing and degree of expansion of various material handling and storage facilities. One expert, for example, believes that Tulsa officials have been conservative in expanding grain storage facilities. If true, this indicates the difficulty of decisions on the timing and financing of improvements. Under these circumstances, some of the mistakes might have been avoided if better guidance had been available from state or Federal agencies or from private consultants. Consideration should be given to ways by which the expertise on port development available in the country could be made available to port authorities in need of the assistance.

FUTURE PORT DEVELOPMENT

Before leaving this subject, aspects of port development that may affect future use of the MKNP need to be considered. Many of the difficulties discussed above have been corrected with the possible exception of the situation at Muskogee. Other aspects are more difficult to reverse. Of the five public ports, two seem to be thriving and steadily improving--Tulsa and Pine Bluff. One, Muskogee, is mired in difficulty; the Fort Smith facility is small and serves mainly to ship commodities in and out of the area. There is little likelihood that any major port expansion will occur although a turning basin may be constructed in the near future. The Little Rock facility, through 1976, also has served largely for the shipment of commodities, especially bauxite for the aluminum plants in the metropolitan area. Although the port has a 1,500-acre industrial park, only a third is reserved for plants that need to use the waterway. At the time of writing, no plants that need to use the waterway have been built at the industrial site. This situation results in part from the lack of time, money, and personnel for industrial recruitment. Employment of an assistant executive director in 1976 led the director to initiate an industrial recruitment program.

Little Rock leadership also seems ambivalent or divided on the question of industrial expansion as indicated in Chapter 7. While the advantages in expansion of population, labor force and improvement of income distribution are valued, the desire also exists to maintain certain community features. These pertain to the city's identity as the dominant trade, political, and cultural center in Arkansas, which is basically middle class. There is some apprehension that rapid growth of industry might change the city's identity to a working class, blue-collar town. This ambivalence may be evident in the various restrictions with which the port authority has had to cope. On the other hand, the port authority has been persistent in seeking a slack water port. A permit has been issued and construction may start in the near future. This improvement should make the port much more attractive for industry.

Development of the Little Rock port is crucial since extensive growth of industry along the MKNP may not occur without full utilization of the ports in the two largest metropolitan centers. Little help can be anticipated in this regard in the near future from Muskogee and Fort Smith, although the situation in the former will improve once the Fort Howard paper plant becomes operational. Under these circumstances, two ports, Tulsa and Pine Bluff, currently bear the principal burden for industrial development. It is difficult to see how the MKNP can reach its full potential in this regard although management in each city is determined and aggressive. Contributions also can be expected from the ports at Russellville-Dardanelle, Van Buren, and from other private ports along the Arkansas River. It remains to be seen whether private enterprise can fill the void.

SOME BENEFITS OF MKNP

On the positive side, the overall growth of tonnage has been impressive, from a million and a quarter tons in 1968 to approximately seven million in 1976. This growth has been achieved despite heavy rainfall in 1973 and the recent economic recession. Tonnage is expected to go higher in 1978. On the other hand, roughly 40 percent of the tonnage is sand and gravel taken from the river and from other nearby areas. Development still has a long way to go to actualize the hopes of its principal proponents.

The influence of the navigation system on areas of the economy other than attraction of industry is difficult to determine. The principal contribution stems from reduction in railroad freight rates for steel and other materials which manufacturers need. In most of the port cities several manufacturers which located in the area prior to construction of MKNP have used the system for shipment of materials, especially steel, such as Ward Bus at Conway and Whirlpool at Fort Smith. Whirlpool, for example, annually saves a substantial sum in the cost of transporting steel for use in producing appliances. This type of saving may well have been an important factor in management's decision to expand the Fort Smith facility rather than a plant in another city. The availability of barge transportation also has enabled some firms to do business with companies in other inland ports and in distant areas of the globe due to the savings in transportation costs. Since adequate data on these areas of economic activity are unavailable, it is impossible to determine these impacts of the MKNP. Until these facts are available, it will not be possible to obtain a thorough assessment of the system's economic impact and its influence on the future development of the river valley.

The system also has had a number of other important consequences. The improvement in flood control certainly has made some if not all the towns and cities along the Arkansas River more attractive for capital investments in residential, commercial and manufacturing developments. In many communities, especially the smaller settlements, leaders look

upon the waterway as the principal instrumentality for future development, the facility which will enable the area to move ahead in terms of economic and population growth, and to shed the identity of a backward little town. In towns which have not been considered in the study such as Ozark, Russellville and Dardanelle, major changes have taken place which have been due in large part to the waterway. The faith demonstrated by this large-scale Federal investment has invigorated local leadership and led to bolder action by the standards of traditional conduct for the towns. For the larger cities, the waterway has helped make the area more visible regionally and nationally. This derives both from the numerous articles written in national magazines and from the work of local groups in publicizing the waterway to attract industry. The waterway has provided an incentive for local groups to disseminate information about the advantages available in their area for various types of employers. Information about the waterway and the adjoining cities also have been circulated by the state industrial development agency in publications and recruiting trips.

In the final analysis, the impact of the MKNP has to be measured in terms of the manufacturing facilities and segment of the labor force attracted to the area by availability of water transportation. This factor has to weigh more heavily than the advantages provided plants whose location and continued presence in the area was only incidentally related to the waterway. The former type of firm represents employers attracted to the area by the waterway which otherwise might have gone elsewhere. These firms constitute the direct and immediate contribution of the waterway to economic expansion. The plants whose location in the area had little or no connection with the waterway but which benefit from it one way or the other, presumably would remain in the community if for some reason the waterway suddenly ceased operations.

ORGANIZATIONAL CHANGE

Progress has been made in several port cities in establishing certain organizations involved in the activities of the waterway which, in the long run, will play a significant role in development. These include international trade departments at several banks in Tulsa and Little Rock, a world trade association in these two cities, and a port operators association. The personnel of each of these agencies is small in number, resources, and activity, but hold promise for the future. Both the international trade departments and the world trade associations consist of persons who are actively involved in activities that require the use of the waterway to some degree. Hence members have an interest in its status and improvement, and potentially, if not actually, represent a group supportive of the activities and needs of the respective port authorities. Some of the men in these organizations participate in recruiting trips overseas and to various parts of this country. They disseminate information to interested persons about the waterway and facilities in their hometown. They also contribute to the visibility of the respective cities and state. They also are able to provide support for port

development with local officials, bankers and other decision makers. More needs to be known, however, about the activities and effectiveness of these organizations for port development. Similarly, the port operators association, consisting of the key staff people at each port, meets several times a year to consider mutual problems. An effort currently is underway to expand the use of containers on the waterway. Introduction of container shipments on a scheduled basis would encourage use of barge transportation by firms that have not been using this mode.

Several community organizations that are not specialized for waterway development have also aided the port authorities. The Chamber of Commerce, economic development agency and, for some cities, the agency responsible for publicizing the area, generally include the port and the waterway in its activities. The Arkansas Basin Association, which actively participated in the effort to acquire MKNP, keeps in close touch with the respective port authorities. The Association assists efforts to obtain various kinds of help from the Corps and the Congress. The Arkansas Basin Development Association, in contrast, has become a regional water resource development agency serving a number of states in the southwest.

The efforts of these organizations to educate businessmen on the advantages and possibilities of using water transportation, while important, has not been considered in this study. This deficiency should be rectified in subsequent studies since it would identify important sources of resistance to use of the waterway and indicate ways by which port officials could overcome these objections.

MANAGEMENT OF GROWTH

Expansion of the economy and of population is not an unmixed blessing. Many problems are created by urban development which, if not handled properly, can lead to changes in local conditions, such as the spread of decay and rising tax rates, that deter firms and families from moving to an area. Enterprises in the community may choose to expand operations or to move elsewhere. Employers also may have great difficulty persuading their best people to move to a community that is declining or lacking in important amenities. While relationships between these factors and the long term development of the river valley is difficult to measure, in general the impact of MKNP will be greater if the major communities deal effectively with serious problems and do not postpone action. Under the latter circumstances, the localities will retain their appeal as a suitable environment for firms and people.

Two areas seem especially important in this regard--resolution of the conflict between the needs of the inner city, including the central business district, and those of the new subdivisions built in the suburbs. This may entail choices on allocation of resources between the c.b.d. and suburban shopping centers, between older neighborhoods inhabited by minority groups and newer residential areas inhabited by middle class

whites. The former issue also involves the prestige of the c.b.d. as a location for headquarters activities and ability to generate tax revenue. Where the c.b.d. is highly visible and distinctive, community prestige and pride also may be involved.

The rivalry between older and newer residential areas for municipal services involves the question, critical for the ability to absorb new employers and residents, of the cost to the government and ultimately to taxpayers of providing various municipal services. Since growth patterns in at least four of the five port cities are spatially skewed rather than symmetrical, the cost of providing services to outlying areas rises more rapidly than otherwise would be the case. Population also has a tendency to shift from the older to the newer areas, causing underutilization of the facilities in the former sections. Since the c.b.d. originally was located near the river, growth results in decreasing accessibility for residents of the urban area.

Efforts are underway in each of the cities to cope with some if not all these problems. These are detailed in Chapters 6 and 7 and the specifics need not be considered here. One feature, however, is of particular importance and concerns the plans in Tulsa and Little Rock for riverfront improvements. In both cities these plans are part of the effort to improve the central business district visually, commercially, and as a residential area. This development was not foreseen by the early supporters of the waterway and may prove to be one of the more significant contributions of MKNP. It resembles the program for redevelopment of downtown Pittsburgh in the forties and fifties which included a riverfront park and an office center.

The plan in Tulsa calls for development of a riverfront park along the Arkansas River about a mile from the civic center. The plan specifies creation of a lake by construction of two low water dams. Along the lake would be built an amphitheater, museum, marina, restaurant, and various facilities for outdoor recreation. This plan is an outgrowth of the interest shown in the Great Raft Race which became an annual event after initiation several years ago by a local radio station. The riverfront program would be constructed in two phases--the first at a cost of about \$1 million financed by urban renewal funds. The second requires passage of a bond issue of about \$15 million. Stage one should start soon if it has not already begun. Stage two would be initiated when passage of the bond issue seems assured. The riverfront park will be connected to the c.b.d. and to the recently built Williams Center by a pedestrian mall. This project, along with the others underway in the c.b.d., will make the river a major recreational area for inhabitants of the Tulsa metropolis and a tourist attraction for residents of the region. Upon implementation of the plan, the river will play an even more vital role in the economy of the metropolis and in the lives of residents. The project also will modify the structure of the c.b.d. and the perception which people have of it. For many inhabitants, the Arkansas River and Tulsa will have become inseparable.

Similar changes should take place in Little Rock although the plan is less ambitious in some respects. A riverfront park is to be built from a point adjacent to the heart of the central business district to the western part of the county. The park initially will serve mainly for outdoor recreation and relaxation. The various facilities contemplated at Tulsa presently are not included in the plan for Little Rock. Since construction has not started, it is difficult to know when the plan will be implemented. If it is carried out, however, the park also will be connected to the c.b.d. by the recently constructed pedestrian mall. In contrast to the port, which few residents observe in operation, the park should be widely used. Hence, as in Tulsa, the park should make the city and the river inseparable in the minds of most inhabitants.

If one or both plans succeed, it seems reasonable to expect that the idea of a riverfront recreation area will receive careful consideration in the other cities along the Arkansas River. The concept has been mentioned in Fort Smith where a plan for improving the c.b.d. is in a formative stage. A few cities already have major recreation areas, especially at various locks and dams. Pine Bluff, for example, has a large park adjacent to the port which local officials plan to expand.

Certain features of state government also have an important bearing on the degree to which expansion will take place on the local level over the next decade. These pertain to various laws concerning municipal finance, especially in Arkansas. Since these matters are considered in Chapters 9 and 10, the general problem will be briefly reviewed. Arkansas statutes limit a municipality's ability to tax property, which penalize those cities that have been most successful in expanding the economic base. These limits, in level of property assessment and the millage to be used for municipal operations, do not provide revenue sufficient to meet the needs of a growing population, territory and industrial economy. The communities are heavily dependent on state turnback and Federal revenue sharing funds to provide various services. Although it is difficult to ascertain the precise influence these statutes have on local goals for expansion and port development, there can be little doubt that they tend to slow down expansion. For these reasons municipal officials across the state sought to achieve fiscal reform during the 1977 session of the state legislature, with limited success. Further efforts can be expected in subsequent legislative sessions.

In Oklahoma, passage of municipal or school bond issues requires approval of 60 percent of the voters. Many proposals are defeated although a majority of the voters have endorsed the measure. This rule also hampers a growing city for the ability to obtain funds for improvements of streets, water and sewage systems, and the public schools is highly uncertain. The difficulties do not seem to be as severe, however, as those in Arkansas.

If the leaders of the various communities can carry out the multiple tasks involved in promoting development and controlling the problems caused by growth, the respective communities will be able to sustain growth for a longer period of time than otherwise would be possible. These factors would increase prospects that the full potential of MKNP would be realized.

POLICY RECOMMENDATIONS

This analysis of the interaction between the five port cities and the MKNP suggests a number of factors which should be considered in the process of evaluating the potential benefits and liabilities of major construction projects. The suggestions considered below apply to projects which require local agencies to carry out costly and complex activities associated with use of the facility. They do not pertain, for example, to situations where the organizational apparatus for using the facility exists such as by an electric utility in the distribution of hydroelectric power.

Several questions should be answered in attempting to ascertain the "impact" and probable value of a project. The first concerns the extent to which local groups and leaders consider the project necessary or indispensable for attainment of certain important objectives. The commitment to using the facility properly will vary with the degree to which it is believed essential for goal attainment. Two approaches can be taken to clarify this matter. The first pertains to an objective analysis of the factors influencing strategic organizations and leaders. This involves consideration or analysis of the degree to which the goals of important groups have been and are in process of attainment without the desired project. In the case of the waterway, progress in industrial and other forms of economic growth need to be considered. Since industrial expansion in Fort Smith, for example, has been accomplished, mainly by relying on highway and rail, a relatively modest investment was made in the port. Pine Bluff and Muskogee, on the other hand, which had not been as successful, considered the waterway a major instrumentality for industrial expansion. Investment in port development and related activities was much greater.

Another criterion of project need concerns the sectors of the community which are likely to benefit from the project. Where few or none are present in a community, the project might be perceived as less important for goal attainment than facilities currently available, in which case strategic groups would do little to use the facility if it were built. One benefit anticipated from the waterway was reduced freight rates. This change would be felt most in communities whose plants required materials or produced items that could be shipped by barge, such as metal fabrication. Reduction in rates for steel could save these firms tens of thousands of dollars every year. Since metal industries have been an important part of the Tulsa economy, it is not surprising that Tulsa

leaders considered lower railroad freight rates important for continued industrial expansion. Metal industries have been less important for the Little Rock economy, where leaders have not been as strong in their support for the port and navigation system.

The second approach is psychological and pertains to the degree of consensus in the community on the need for the project. This involves the leadership and public opinion. A high degree of consensus favoring the project among key elements of the community is indicative of the willingness to provide the necessary support and to use the facility in an effective manner. Where there is considerable disagreement among influential groups one would anticipate continued haggling after construction on whether funds and other forms of support should be provided. In these circumstances the facility may not have resources sufficient for effective operation. One indicator of leadership consensus is the type and amount of resources used to obtain the facility during the period when authorization and funding are sought. Minimal outputs can be construed as indicating either a division of local opinion or a consensus, that the project is not of crucial importance.

The third area involves the capabilities of the organizations which would play a major role in using the project, directly or indirectly, for goal attainment. A variety of public and private organizations may need to be considered such as local government, port authorities, economic development agencies, trade associations, and the capacities of local leadership. Where important organizations will not be established until after construction of the project is assured, several other aspects of organizational capabilities can be examined. One pertains to the skills and determination displayed in the effort to obtain the facility. These are indicators of the ability and resourcefulness that will be used to manage the facility. A second area pertains to the community's record of organizational accomplishment. What has government and leadership accomplished in the community? What is the record, for example, in providing hospital facilities, in supporting the local college, meeting the goals of the United Fund, constructing a civic center, and similar enterprises? Have the local banks been committed to these and related endeavors? Do top government officials actively work for passage of local bond issues? Unless the community has an impressive record of success in these and related areas, the organizational capacity to use the project may be lacking.

Features of regional and state government which may affect the performance of local organizations also need to be examined. Communities which can obtain various types of planning assistance, technical studies and other forms of expertise from higher levels of government normally will have an advantage over communities which cannot. State statutes which empower local governments to take the steps needed, including establishment of various authorities, will facilitate goal attainment to a greater degree than where these statutory prerogatives do not exist.

The impact of state laws on the fiscal powers of local governments also will have important consequences in this regard. The activities of various state agencies may supplement those on the local level such as dissemination of information essential for the recruitment of industry.

Whether or not some type of formal agreement or contract should be signed by Federal and local officials stipulating the contribution to be made by each party is debatable. For various reasons we do not recommend that efforts be made to define with precision the contribution to be made by local officials other than an indication of a willingness to "do its part" to use the facility well and properly. Although this stipulation is loose, it has the advantage of making local officials cognizant that a continuing contribution by the community is expected and required. Greater precision may not be possible for, at the time of signing, no one may know the type and amount of facilities, for example, that should be developed at a port or the size of the industrial park. A detailed agreement might stifle innovation where local groups wish to use the facility in ways which were not anticipated at the time the agreement was reached. Construction of riverfront parks in downtown areas, for example, was not considered as a possibility by project supporters in the thirties and forties. Considerable reliance should be placed on the indicators of probable community performance in areas crucial for project success. These scores should supplement but not replace the measures of economic costs and benefits. Assuming adequate methodology, the two types of measures should weigh heavily in selecting projects for construction.

CONCLUSION

Inhabitants of the river valley have derived a variety of benefits from the MKNP during the few years that it has been in operation. Flood control, improvement of municipal water supply, increased tourist activity, boating and fishing, reduction in certain transportation costs, and activities at the respective ports have contributed to economic development, population growth and improvement in the quality of social life. More difficult to measure but also important has been the boost in leadership confidence in the future of the community that has led to renewed efforts to accomplish various projects, several of which--especially plans for growth management--are quite ambitious. The sense of inferiority which has lingered for decades is dissipating as growth takes place and the various communities acquire a new image and increased visibility. There has been a resurgence of energy in even the smaller communities in the river valley, such as Dardanelle and Sallisaw. Muskogee, despite many difficulties, is in the process of overcoming the factors which have restrained growth although the full impact of the improvements may not be felt for another year or two. The various towns and cities along the Arkansas River no longer are static communities set apart from the major forces in America. MKNP has made a substantial contribution to these changes.

Lagging port development at three of the five major cities clouds this picture. If this situation persists for the next decade, it is difficult to see how the system can produce the degree of industrial development that had been anticipated prior to construction. Since substantial improvement should occur in several if not all the ports over the next few years, these misgivings may be unfounded. On the other hand, use of park developments along the Arkansas River to strengthen the business districts of several cities represents use of the system which was not anticipated. This could have far reaching consequences by improving local recreational facilities and the city's commercial and administrative core. While there may be disagreement over the relative importance of these various changes, there is little doubt that the MKNP in conjunction with other forces at work in the two states will continue to generate a diversity of important changes in the years ahead.

CHAPTER 1

COMMUNITY AND REGIONAL DEVELOPMENT

INTRODUCTION

Industrialization and urbanization are among the processes of change which have transformed agrarian societies into modern nations. Seldom, if ever, has a society become urbanized without simultaneously developing an industrial economy. Understanding the forces behind these trends requires more than consideration of supply and demand and of changes in market prices. Some American historians credit the major thrust for the growth of cities to the actions and values of local groups which were frequently influenced by economic rivalry with similar groups in neighboring cities. For these scholars, urban development is attributed to purposive acts which expanded the territory from which goods and commodities were collected and to which various products were distributed, enabling the city to obtain advantages simultaneously denied its rivals.¹ This area of leadership or businessman behavior can be considered an essential part of the "city building process."² Groups which expect to benefit from increases in land values have also contributed to the growth of cities.³

Throughout the history of America, the economic and political leaders of various cities made major contributions to the development of their communities and to the nation. The venturesome merchants of Baltimore financed construction of the Baltimore and Ohio Railroad in the 1820's before effectiveness and reliability of this new mode of transportation had been established.⁴ This risk was taken to gain new markets in the west and counteract the impact of the Erie Canal. At about the same time, Boston merchants were faced with a similar situation, the loss of commerce to New York. They responded by investing in a new industry, textile manufacturing. This led to development of the factory system in America and, in the short run, the strengthening of Boston's economy.⁵ More than a century later, a similar dilemma faced Boston's business leaders. Textile, shoe and other manufacturing plants had been leaving New England for the South. The weakening of Boston's economy led to another innovative response, encouraging, through provision of risk capital, new, high technology companies rich in ideas but deficient in capital.⁶ The electronics industry replaced the textile mills that had left the area.

Government played a significant role in the process of growth by financing construction of a national transportation system of canals, turn-pikes, and railroads, as well as supporting the aviation industry. The pattern of railroad development in the United States differed from that in England in financing and timing of construction. Private capital financed many railroads in England since construction often occurred in established areas where towns and farms were thriving. In the United States many railroads were built in advance of and to promote urban and rural settlement. Since the roads would not be profitable for many years, assistance for construction was needed from governmental agencies.⁷

The Federal government financed transportation improvements in various regions of the country to foster urban and economic development. This developmental strategy was partially responsible for construction of the McClellan-Kerr Navigation Project on the Arkansas River, a distance of 450 miles from the Mississippi River to Tulsa, Oklahoma, at a total cost of close to \$1.2 billion. Providing flood control and a relatively efficient and inexpensive mode of transportation were expected to accelerate the rate of economic and urban development in the river basin region. A relatively backward area would become a more productive contributor to the national economy, thereby improving the socio-economic status of inhabitants. The navigation project would accomplish for the Arkansas River Region what similar projects had done for areas along the Ohio and Tennessee Rivers.

Construction of the navigation project also has to be attributed to the untiring and unceasing efforts of a handful of community leaders. These men overcame the opposition of various Federal officials and agencies and many other obstacles in their efforts to obtain construction of the system. This study deals with both the actions of these leaders and the soundness of their strategy for regional development. It explores both the genesis of the navigation system and the growth patterns which have occurred since construction was completed.

REGIONAL DEVELOPMENT

The leaders of the river basin initiated efforts to obtain the navigation system at a time when the area and the two states lagged far behind the rest of the nation. Poverty and excessive reliance on agriculture were among the factors which made the area and the south the underdeveloped region of the nation. Widespread poverty contributed to a strong sense of fatalism which helped set the south apart from the rest of the nation, where the belief in progress predominated.⁸

Odum provided a comprehensive analysis of the southern region for the twenties and early thirties in his monumental and influential study Southern Regions of the United States.⁹ Since farmers of the region depended heavily on two cash crops, cotton and tobacco, farm income fluctuated widely with the market price of these commodities. Few farmers raised corn, wheat, and purebred cattle. The prevalence of farm tenancy, a status characteristic of many white and black families, aggravated the poverty of the region. The lack of tractors, a high percentage of eroded lands, poor housing and poor health also contributed to the inefficiency of agriculture.

A high proportion of the south's labor force was employed in low wage industries, mainly textile, furniture and tobacco manufacturing. The south lagged far behind the other regions in proportion of the labor force engaged in manufacturing, value added by manufacturing, and in per capita income.¹⁰

To John Gunther, journalist, writing in the early forties, Arkansas was mainly a cultural wasteland. He said:

Arkansas...is probably the most untouched and unwakened of all American states, as well as one of the poorest...¹¹

Gunther quoted from an article about the state by an Arkansan:

Arkansas has its own popular motto and it is this:
"I've never seen nothin', I don't know nothin', I
haint got nothin', and I don't want nothin'"...¹²

Oklahoma, for Gunther, was dominated by its Indians and Indian heritage, oil, and colorful political figures. He also noted the possibility of another dust bowl if a serious drought should occur. He recalled the events of the thirties when he said:

...On a single day, I heard, fifty million tons of soil were blown away. People sat in Oklahoma City, with the sky invisible for three days in a row, holding dust masks over their faces and wet towels to protect their mouths at night, while the farms flew by.¹³

Odum, however, did not despair of the future. The south's natural resources and the character and traditions of its inhabitants represented a great potential for development. The region's beauty, woodlands, water resources, and minerals were among its most valuable assets. The problem for Odum at the height of the depression was how "...to turn regional potential into regional reality and national power. There is only one main question: how to achieve the attainable ends in view..."¹⁴

Certain leaders in Arkansas and Oklahoma sought to fulfill the promise of development which knowingly or unknowingly they shared with Howard Odum. The main objective was to encourage and stimulate the expansion of industries within the two states whose output would be used largely elsewhere in the nation and the world. Expansion of export industries would raise income levels within the community and expand the local market for a variety of goods and services. These changes would improve the health and well-being of inhabitants and enable various communities to halt the outmigration of young people unable to find suitable employment at home. The two states would export a wide variety of manufactured products but retain their energetic sons and daughters.

As Odum indicated, the important question concerned the strategy for ending the economic and cultural inferiority of the two states and the southern region. A handful of Oklahoma and Arkansas leaders adopted a strategy which had been used elsewhere in the nation, focusing on improvements in transportation to spur the growth of transport-sensitive industries.

The strategy sought to improve the external economies available in communities along the Arkansas River through construction of a navigation system. This system also would curtail if not end many problems which had plagued the area for generations--floods, drought, bank cave-ins, loss of levees and valuable farm land. The system also would provide water for municipal use and for recreation.

The key element was savings in transportation costs for those firms which could ship goods on water. The navigation system would provide another equally if not more important benefit--a reduction in railroad freight rates for a number of commodities that could be shipped on water but were currently moving by rail. The navigation system was expected to provide a significant and continuing stimulus to industrial and urban growth.

The plan for the navigation system originated in the poverty, suffering, and with the prospect for development which long had prevailed in Oklahoma and Arkansas. The system was seen as an instrumentality for creating a sounder economy and way of life for area residents. Supporters of the project were committed to economic and social change although, in the twenties and thirties, few anticipated the diversity of changes that subsequently occurred.

Long before completion of the navigation system in 1970, the south began to industrialize and improve agricultural activities. These factors, coupled with various problems in major cities of the north, led to changes in the national pattern of urbanization and population distribution. The regions which long had been dominant, the northeast and midwest, were losing industry and people to the previously "backward" regions, the southeast and southwest. Manufacturing employment for New England and midwest states declined by roughly 10 percent between 1960 and 1975, while that for the southeast and southwest increased by 43 and 67 percent, respectively. Population increase was almost twice that which took place in the New England, midwest and Great Lakes states.¹⁵

Arkansas and Oklahoma shared in this growth in the seventies. Between 1970 and 1975, Arkansas population increased by 10 percent and that of Oklahoma by 6 percent in contrast to less than 5 percent for the nation.¹⁶ The increase in personal income in the two states also exceeded the national average, 66 percent and 55 percent for Arkansas and Oklahoma and 54 percent for the nation.¹⁷ Manufacturing employment in the two states also increased, close to 11 percent for Oklahoma and 3 percent for Arkansas, while in the nation manufacturing employment declined by 6 percent.¹⁸ The navigation system may have played a part in the economic and population growth of the two states. Developments in the communities along the waterway will indicate the extent to which industry has expanded due to the availability of water transportation and related facilities.

CONCEPTUAL FRAMEWORK

Although some historians have recognized the contributions to national economic growth made by certain urban groups, they rarely provide detailed information on the patterns of leadership which produced these results. Those who have made careful studies of community leadership seldom have concentrated on matters central to economic development. The issues selected for study generally have been controversial or dramatic, and provided an opportunity to analyze the structure and process of leadership. Issues such as school desegregation and establishment of metropolitan government, which are closely connected to urban development, seldom are examined from this perspective. Some leadership studies tend to focus on the structural consequences of increased involvement of the community in the life of the nation and not on the urbanization process responsible for this change.¹⁹

A recent article indicates one way the gap between the studies by urban historians and students of community power may be bridged. Molotch suggests that "the very essence of a locality is its operation as a growth machine."²⁰ In many, if not most communities, achieving growth is the single, most important objective uniting various economic elites. The interests which benefit from the increase in land values and in the local market--banks, construction firms, real estate concerns, mercantile establishments, newspapers--dominate politics and decision making. Government becomes an instrument for achieving the goals of these interests by providing the services and facilities needed for expanding the economy.

This approach has several limitations. It overlooks the advantages of stability for many of the economic interests which Molotch views as benefiting from growth. These advantages derive from a number of circumstances: wage rates may rise if new industry increases the demand for labor or has a higher wage scale; the risks involved in making large capital investments to foster growth when attainment of results are uncertain; the problems involved in competing for new businesses and for funds from various agencies; the difficulties of adapting to the various diseconomies and dysfunctions which growth produces. For these and similar reasons many communities may be organized not to promote but to prevent growth.

Molotch's approach, however, can contribute to the analysis of the waterway's influence on community and regional development. The impact of the waterway is realized, in part, through the actions of local organizations using this facility to further community development. Where these groups are weak or are dominated by interests committed to stability, the impact of the waterway may be minimal. To understand the impact of the waterway we must study those groups which may have an interest in growth, the relationships between them, the type and degree of growth that is preferred, and the measures taken to achieve these goals. The various consequences of the waterway can be related to the structure and functioning of each community's "growth apparatus." To interpret these relationships, the following dimensions are considered:

1. Local Organizational Apparatus. The important units include both individuals and organizations in the public and private sector, and the pattern of interaction which link these units. A high degree of overlapping memberships may produce a more cohesive "growth apparatus," unified in policy and action. Whatever the structure, it does not materialize in final form at any given time but may be pieced together gradually in response to varying opportunities and contingencies. The particular types of organizations and linkages may vary from community to community and account for some of the differences in rate and direction of growth.

Regional, state and Federal agencies often possess facilities or responsibilities which can affect the community's ability to attain its goals. To obtain needed inputs, agencies within often establish close ties with officials of agencies outside the community. The structure of local-extralocal linkages also are an important part of the "growth apparatus."

2. Growth Strategy. Communities may vary in the breadth and degree of control sought over various elements of social structure. Some communities may prefer to grow regardless of the type of industry which moves to the area and the rate of growth. Others may be highly selective as part of an effort to achieve a particular "mix" of economic functions and to limit dependence on any one segment of the economy. The leaders also may try to control the rate of economic and population growth, and patterns of spatial change in the community. Communities also may vary in the degree to which the navigation system is used to accomplish growth. Some will have invested millions and others not a cent in port facilities. The latter, however, may be as successful, if not more successful than the former in gaining new industry.

3. Type of Community. Some communities did not wait for completion of the waterway to bring industry to their towns. Those which had some success may have had less reason to invest heavily in port facilities. Communities need to be differentiated both in terms of degree of economic and population growth and degree of investment in port facilities.

4. Situational Factors. Many factors influencing prospects for success at a given moment of time are beyond the control of local leaders. This circumstance could be responsible both for considerable uncertainty over the outcome of developmental activities and efforts, where feasible, to control these conditions. National economic trends have considerable impact on the rate of local economic expansion. Various state laws concerning such matters as right-to-work, corporate income taxes, and local taxing powers, influenced the suitability of river basin communities for various companies. Each city also had to compete against other river basin cities and those elsewhere in the country for various firms and factories. Last but hardly least, the weather, as it has over the decades, continues to influence the reliability and feasibility of using water transportation.

While this study emphasizes the local organizations responsible for community development, it also considers the impact of various extralocal agencies and conditions. A combination of these factors, in the long run, will determine the contributions of the waterway to regional development.

TEMPORAL ORGANIZATION

The developmental process initiated in the twenties has extended over much of the current century and has not come to an end. The objectives of the various participants tended to vary in relation to the task at hand. During the early phase, for example, the immediate objective concerned the acquisition of the waterway. When construction was assured, attention focused on economic and population growth. In subsequent years goals often were modified as an adaptation to the various problems resulting from local expansion. An understanding of the change process will be aided by studying the "growth apparatus" in the context of various stages of development.

The initial time boundary of the first phase is difficult to specify while the terminal point, certainty that the waterway will be completed by a certain date, is quite clear. The distinguishing features of this period pertain to the circumstances giving rise to the demand for the navigation system, the emergence of leadership to press the claim on Washington, the organizational apparatus created for this purpose and the factors responsible for success. The efforts made by the various communities in this phase may be connected to subsequent efforts to use the waterway to foster development. Those who led the effort over the years to gain authorization of the project may also have made the greatest effort to use the waterway to encourage local development.

The first phase ends and the second begins when completion of the waterway is imminent. Objectives shift to use of the waterway to facilitate community development. A matter of paramount importance concerns consensus on the desirability of change and growth. Participation of a few leaders in the struggle to obtain the waterway does not assure support from the remaining leaders or from the public. Consensus on expansion becomes important for such matters as the amount of resources to be invested in development of a port, industrial parks, and related facilities. A process of organizational development also takes place which often includes port, industrial and river park development authorities, machinery for publicizing the community and for recruiting industry. Some communities will have made the necessary decisions and created the relevant organizations prior to waterway completion. Others, for various reasons, move more slowly on these matters.

The third period begins after a community has enjoyed a measure of success in gaining industry and has experienced population and spatial growth. The passage of time enables leaders and the public to recognize and assess various consequences of change. The time span between the

second and third periods will vary from community to community. Some communities will be more and others less cognizant of change and of the need for evaluating the original goals. Experiences with the businesses and enterprises which have moved to the community and with the efforts to provide services needed by the citizenry may lead to a reconsideration of the growth policy. The community has reached a critical state in the developmental process for the issue at stake is the degree to which processes of change can be controlled.

The community's involvement in the larger society probably has increased as the local economy expanded. Absentee-owned corporations may have a considerable influence over the direction and rate of future growth. The community may adapt to these changed circumstances by seeking to exclude those firms which, for various reasons, subject the local business cycle to extreme variations. A concern may develop for the diversity of the industrial mix and for the size of a plant's labor force. An effort also may be made to control the rate of population growth to avoid excessive demands on those institutions providing basic services. These policies influence a community's long run ability to sustain growth while avoiding the deterioration which could bring on stagnation.

The fourth stage is characterized by the results of the reassessment of the growth policies. The changes in growth policies have been implemented and the consequences are under consideration. Few if any of the communities seemed to have reached this stage at the time of writing.

THE NAVIGATION SYSTEM

The navigation project provides a 450 mile, nine-foot channel connecting the Mississippi River and Tulsa Port of Catoosa. The channel begins at the confluence of the White and Mississippi Rivers, extends for 10 miles on the White River and for 9 miles on the Arkansas Post Canal to the Arkansas River. The project extends over most of central Arkansas and into eastern Oklahoma. At Muskogee, the channel goes up the Verdigris River to the Tulsa Port of Catoosa which is approximately 20 miles from downtown Tulsa. The channel on the Verdigris has a width of 150 feet and 250 feet on the Arkansas River. The principal cities along the river are Pine Bluff, Little Rock, Fort Smith in Arkansas and Muskogee and Tulsa in Oklahoma. Other settlements along the river included in the study are North Little Rock, Russellville, Dardanelle, Ozark, Morrilton, Conway, Van Buren and Sallisaw.

Operation of the navigation project required the construction of many dams to control the flow of water and the movement of sediment downstream. Seven upstream dams and four main stem dams play a vital role in the navigation system. Five of the upstream dams were built by the Corps of Engineers and all are in Oklahoma while two of the main stem dams are in Arkansas. All the upstream dams provide hydroelectric power and water for municipal use. The four main stem lakes also provide power. When all 10 power plants are in operation, more than three billion kilowatt-hours will be generated annually, sufficient for a city of a million inhabitants.

Recreation facilities at the major lakes and locks also have been provided by the Corps of Engineers and the park departments of Arkansas and Oklahoma. Major recreation facilities have been provided at five of the seven upstream lakes and at nine of the locks and dams. In most cases, these facilities are within 30 minutes driving time from a town or city along the river and easily accessible to large numbers of people residing near the project. Both state and Federal highways also make the facilities accessible to residents of other areas of the two states and for out-of-state visitors.

For many years the Arkansas River ate into its river banks changing its channel. During heavy flows, bank cave-ins were a normal occurrence, often taking real estate from downtown Pine Bluff, rich farmland and levees. Bank stabilization and controlling the river channel were important aspects of the multipurpose navigation system. While these problems have been largely brought under control, bank caving is still serious below Fort Smith. This may be due, in part, to the fact that the width of the channel at Lock 13 near Fort Smith cannot handle the amount of water flowing past that point during periods of heavy rainfall. At the time of writing, various problems in managing the multipurpose system had not been entirely solved. Nevertheless, construction of the upstream lakes and the navigation project at a cost of approximately \$1.2 billion provided the river basin with extremely valuable assets, a navigable river, additional water for municipal use, hydroelectric power, flood control, bank stabilization and recreational facilities. Leader recognition of the importance of these assets encouraged developmental efforts since faith in successful outcomes was strengthened. Construction of the waterway for many river basin communities provided the "light at the end of the tunnel," substance for the belief that growth was attainable. A recent newspaper editorial on the Corps of Engineers also provides a basis for understanding the faith which many people had in the value of the waterway.

There was a time when the Arkansas River cut a new channel with every flood and, in the process, wandered from hill to hill and carried millions of tons of silt down to the Mississippi and the Gulf. The floods swept away houses and whole farms. On occasions, it destroyed whole communities that formerly had been considered prosperous. Landowners formed levee districts and constructed woefully inadequate barriers that seemed strong and sturdy in the summer when the flow was modest and the grass was flourishing on the embankments.

When the rains came and the river rose, the floods swept over levees and melted them to slurry. Even in periods of moderate flow, the water undermined the banks and the ridges of earth dropped into the river.

The Arkansas ranked among the most polluted rivers in the country, even though the industrial and municipal waste content was modest. The contamination consisted of topsoil which was being stripped from the fields in huge quantities by every shower....

The money invested in the Arkansas River project brought water transportation from the Mississippi River to Tulsa, electric generating facilities equal to a fair-sized fossil fueled plant, a measure of flood control, bank stabilization so that the river remains in a fixed channel, a vast improvement in water quality resulting from a reduction in the silt content, and recreation facilities that are used each year by several million people who lack the time or the inclination to back-pack into the wilderness....²¹

For many people in the river basin and in the two states, construction of the waterway marked a historic turning point in the development of the area. After long years of effort, a facility of incalculable value had been obtained.

CONCLUSION

The proponents of the waterway had a plan for regional development. The addition of a safe, efficient, and relatively inexpensive mode of transportation to the facilities currently available would provide a major stimulus to urban industrial growth. The economies provided directly and indirectly by the increased diversity of transportation modes would greatly increase the export industries and lead to expansion of the local market and local services. The improved water resources provided by the navigation system, along with hydroelectric power, would provide additional resources needed to sustain long-run urban and industrial development. The reduction, if not cessation, of the historic cycle of flood and drought would make the communities more attractive to business and residents by lessening the threat to investments in various developments. Regional development would be accomplished through a public works project which provided better control of the waters in Arkansas, Oklahoma and surrounding states. For whatever reason, leaders on both the local and national level were following a policy of development which had been used repeatedly throughout the history of the nation in building canals, turnpikes, and railroads as improvements intended to stimulate growth in unsettled or underdeveloped areas.

Whether this strategy again proved effective in two southern states during the last half of the twentieth century depended in part on the response of leaders and organizations in each river basin community with an interest in growth and local welfare. Their views on using the waterway to encourage industrial development, willingness to invest in the

necessary facilities, and ability to obtain assistance from state and Federal agencies are among the determinants of the growth process in the context of national economic and climatic conditions. Each community's "growth apparatus" and policies are studied against the backdrop of these extralocal factors.

The researcher who did not experience the floods and drought which occurred too frequently in the river basin, the dust bowl and poverty of the thirties, the turmoil of school integration in the fifties is at a disadvantage in appreciating the magnitude and rapidity with which change has taken place. He or she also is handicapped in appreciating the circumstances which impelled river basin leaders to dream of and labor so hard to accomplish regional development. The impact of the waterway must be assessed in the temporal context of the river basin during the thirties and of a south which is becoming the economic and cultural equal of all the regions of America.

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CHAPTER 2

A BRIEF HISTORY OF THE McCLELLAN-KERR NAVIGATION SYSTEM: THE STRUCTURE AND THE DYNAMICS OF LEADERSHIP

INTRODUCTION

The effort in Oklahoma and Arkansas to obtain multipurpose development of the Arkansas River has a number of significant aspects similar to those associated with improvement of major rivers elsewhere in the Nation. First, the efforts signify the commitment of a number of important local leaders to certain, if vaguely discerned, patterns of community change, especially improvement of local economies and employment opportunities for local inhabitants. The commitment to change, however, is not confined solely to expansion of the economy but to building better communities, communities which meet the important needs of residents and which foster local pride. Second, the commitment to change was part of a larger scheme to further development of the river basin area and to stimulate economic growth in two important states which long have lagged behind the Nation on most indicators of economic and social well-being. Third, the selection of river development as a strategy with a payoff in community development was based on the assumption that competitive and diverse transportation facilities would stimulate the growth of industry. Fourth, the process of decision making at the Federal level dictated to a considerable degree the time frame for a definitive outcome of the effort to obtain the extensive construction program. In seeking this improvement local leaders became involved in a long-term effort. The ability to provide continuity of purpose and manpower constituted a major test of leadership skill and conviction on the importance of the navigation system. Fifth, the Federal governmental structure also dictated certain structural features of leadership. Space as well as time would have to be handled in planning strategy, exchanging information, providing mutual support and in performing the many detailed tasks essential for success. The leadership structure had to link the local communities to each other, to state government and each of the former to key centers of national decision making. Sixth, given the magnitude of the undertaking and the investment which leaders were called upon to make in time, energy and wealth, the "opportunity costs" were high. The commitment to river development signified a deep resolve for economic advancement which had the support of the middle and possibly working classes. The commitment to river improvement did not seem to be imposed by a leadership elite on the river basin communities from the "top down." The commitment to economic advancement seemed general throughout the communities along the river and in the two states. Disagreement did exist on the importance of water transportation as a resource for local development.

Finally, variation in the tasks required for obtaining and for using the navigation system resulted in a division of labor among community leaders. Acquisition of the project and the development of local

facilities such as ports and industrial parks were different undertakings and could involve different sets of leaders. Success in one did not guarantee success in the other.

Critics of the Corps of Engineers often deride various projects as "pork barrel." This term has a number of implications which should be kept in mind in considering the impact of the navigation project on the communities along the Arkansas River. The term "pork barrel" refers to some of the consequences of the process whereby Congress decides which projects will be constructed. The selection process is viewed as favoring certain special interests and in neglecting the public interest.¹ Water projects tend to be built in the districts of the senators and congressmen who hold key positions in the Congress and particularly are on those subcommittees which have a major responsibility for the allocation of these projects. This power has been zealously defended against a number of efforts by executive agencies to more closely integrate the decision-making process with the program and priorities of the President. Generally these have failed. As a consequence, many Corps projects are said to be ill conceived and a poor investment of the Nation's wealth.

While it is not the purpose of this study to respond to these arguments, certain factors should be kept in mind. First, the critics of Corps projects often minimize the local conditions which lead certain congressmen to seek positions on the congressional committees directly responsible for authorizing and funding these programs. In many cases problems exist on the local level which well designed projects may eliminate or alleviate. This redounds to the political standing of the elected representative. The sensitivity of the Congress to the power of key committee members may correspond, to some degree, to the seriousness of local water resource problems. Second, the critics tend to ignore the numerous requirements with which supporters of a project must cope, which extends the "lead time" to a decade or two. Local interests therefore must invest considerable resources in the activities to obtain a project. This factor tends to weed out some of the proposals in areas where problems are not serious. The requirement that local communities finance construction of various facilities and the purchase of municipal water has a similar effect. These features increase the probability, but do not guarantee, that a project will be well planned and beneficial for the many rather than for the few.

The persistent and long term effort to acquire the multipurpose navigation project did not result from the belief that success would be either easy or quick. The opposite certainly was true since more than 30 years were required for development of the system. The determination with which supporters pursued their objective can be attributed in part to a plan of regional development for which the system was considered indispensable and the commitment to long-run and social change.

ORIGINS OF THE NAVIGATION PROJECT

This chapter does not recapitulate the events culminating in construction of the waterway, a topic amply treated in a number of studies.² Primary emphasis is given to the leaders involved in the endeavor, their strategy and the apparatus created to organize people and groups in the communities favoring the waterway. This apparatus, due to various crucial events, gained a large measure of control over the national decision-making structure for water resources.

The decision to develop the Arkansas River resulted from an analysis of the deficiencies of the area, and of a prognosis of its future, relative to the nation as a whole. This analysis certainly was not carried out in the systematic fashion that one expects of a research team financed by a substantial foundation grant. The analytical process occurred from day-to-day, by various inhabitants of the several river communities in response to a diversity of experiences, difficulties and tragedies. The decision to organize a collective effort to obtain the navigation project represented a consensus, partly spontaneous, partly orchestrated by specific leaders, based on the problems which inhabitants of the area faced. Various leaders analyzed and articulated these problems and the rationale for seeking development of the Arkansas River, including Senator Robert S. Kerr, in Land, Wood and Water, an important statement on conservation and development of natural resources.³

The newspaper columns of Clarence Byrns, editor of the Southwest Times Record of Fort Smith for 30 or more years, provide additional background material. For many years Byrns wrote a daily column on a wide variety of subjects. The theme of resource conservation and development was injected into many columns regardless of subject matter.

More than most other supporters of the navigation system, Byrns developed, from his reading, a wide circle of acquaintances and personal experience with a small farm, the beliefs which made sense of the effort to obtain a multipurpose project for the Arkansas River. His daily column used various happenings and crises, especially floods and droughts, to explain and justify the need for the navigation system and the changes it would bring. Byrns' style allowed him to explain complex matters and political processes in a manner which readers easily could grasp. He served as a philosopher of the navigation system using the language of the masses. Since the Fort Smith trade area covered both western Arkansas and eastern Oklahoma, Byrns' influence extended into large areas of both states. Inasmuch as he also played a leading role in the movement to obtain the navigation project, Byrns was able to inform the public of the legislative progress which had been made and of the distance yet to be traversed. His columns provide an intriguing record of the process of negotiating with various agencies of government over a long period of time.

Byrns did not take a parochial view toward either his state or the navigation project. He approached the problem from the standpoint of the needs of all peoples of the world and of America's place in international

affairs. He saw the problem in Arkansas as similar in certain respects to problems elsewhere in the nation and in the world. Natural resources and the bounty of nature had to be conserved and developed. In one column Byrns said, "The basic problem of humanity--how to make our productive resources provide adequate living standards for growing populations--is receiving much attention these days."⁴ Byrns was obsessed with the waste of water resources resulting from the cycle of flood and drought and the tremendous cost these conditions imposed on the people of the state. He reminded his readers during periods of heavy rainfall that drought could be expected in a few months, a cycle which had occurred time and again in the river valley as it had elsewhere in the nation. He pointed out the cost of flooding and the cost to both farmers, food processors and consumers of the loss of farm production which resulted from the lack of water during critical periods of the growing season. For this reason he was as much interested in crop irrigation as he was in flood control or navigation. He had as much concern for the welfare of farmers as he had for urban residents. The navigation system would end, or at least greatly reduce, the loss of "surplus" water during heavy rainfalls and the suffering resulting from drought a few months later. The water accumulation in reservoirs during periods of heavy rainfall would be available during periods of drought for municipal and agricultural purposes.

Byrns also was greatly disturbed by the destructiveness of the river during normal times, especially from bank cavings. He wrote numerous articles on the loss of valuable bottom land, highways and bridges, of levees and other facilities. At a time in the late forties when appropriations for the navigation project, although authorized in 1946, had not yet been made, Byrns wrote of the problem which was developing near Fort Smith.

From Wilson's rock, above Redbank, Oklahoma to the Missouri Pacific Bridge at Fort Smith, there is a stretch of river lined with rich alluvial soil, now nearly all in production. The river's banks have been caving in this area in the past few years at a new high rate. In this area are the Braden bottoms, which lie above the town of Braden....

...The river below the Braden Bend revetment is now about half a mile from the Poteau River. It has continued to cut. In any major flood there is strong possibility that the Arkansas River would cut across the lowlands between the two streams and send the Arkansas waters crashing down the smaller Poteau River channel. In that event, the bridge at Arkoma would probably go down. More than 7,000 acres of our fine land would be isolated in all directions. That would be a tragedy for the owners of that land and a hard blow to the total production of this area.

Above Braden Bend, in the Braden bottom, the south bank is caving at a progressive rate. It has been necessary to move buildings away from the stream. A road long used has gone into the river. Stabilization there by the means known to the Engineers will hold the bank...Neglect will eventually permit the river in flood to flow over more than 3,000 acres of fine land and leave it an expanse of white sand....⁵

Byrns concluded by emphasizing the need to obtain Congressional approval for an expenditure of \$39 million for bank stabilization.

Development of the river also was essential to stimulate the movement of basic industry into the river valley. Byrns and other supporters of the waterway believed that the area could not reach a stage of economic development commensurate with the potential of its resource base without navigation. Awareness of the continuing impact of navigation on the Tennessee and Ohio Rivers strengthened this conviction. Byrns stated the case thusly:

Navigation on the Arkansas would be a mighty impetus to production and consumption in the Arkansas basin. Rails, trucks, airlines, every interest would benefit by increased activity.

The Arkansas Valley is the great desert of water and transportation in America. All the river basins with which we must compete have it. We suffer a terrible handicap in every phase of our economic affairs because we don't have it. We have helped pay for it for others. We have had none ourselves.

The great industrial expansion is taking place on deep water. Expanded industry is our great need, both to broaden the markets for our coal, timber, stone, wheat, cotton, oil and other products, and to lower the cost and therefore increase the use of a wide range of commodities which we must import.

Navigation of the Arkansas is not an idle dream. It is a paramount need for our future, an investment in the development of a great resource which will serve us in our private affairs and strengthen the economy of the nation.⁶

Conviction on the economic impact of navigation, of the many benefits of flood control and improved water supply for municipal and industrial use, while important, does not suffice to explain the steadfastness with which valley leaders maintained the effort to develop the waterway for over 30 years. Awareness of the great gap that separated the two states

and the south from the rest of the nation, of the great distance that had to be overcome, and of the serious needs which had to be met provided much of the energy for continuing the struggle for so many years despite one setback after another. Don McBride, one of the nation's top experts on water resources, former director of T.V.A., and for many years a member of Senator Kerr's staff, explained the matter thusly:

In order to understand the local support of the leaders for the promotion of the Arkansas River development, it is necessary to know the individual and community problems that they faced. Floods had been a threatening menace from the time of settlement. Bank erosion had taken a toll of 60,000 acres a year. Recreation was almost nonexistent in the valley. Transportation deficiency had hampered industrial development. Over all, the area in the valley was near the bottom of the economic totem pole caused by the combination of these reasons. So, the individual or community who could see any of these problems as a cause of their dilemma were more than willing to listen to the disciples of development as a solution to their problems. ...the promotion of the project, followed or overlapped, the great economic depression of the 1930's. Any change that would give local employment a boost was more than welcome. Also, discriminatory freight rates for produce to the market place penalized the farmers of the area.⁷

Difficulties in obtaining the navigation project also were viewed as a continuation of a pattern of discrimination against the south which provided still more incentive for persistence in the endeavor to obtain the project. This theme was voiced by Senator Fulbright in response to an article in a popular magazine critical of the Corps of Engineers. He said:

...Those of us in the Congress during the Eisenhower years remember all too well the "no-new-starts" philosophy of that administration. In effect, this amounted to a national policy of refusing to develop the water resources of some of the most underprivileged areas in the Nation. It was a repeat of the old theme the South and the West heard for so long from the industrial States who wished to keep these sections as economic vassals. There are many in the Congress from the South and the West who still remember the discriminatory freight rates imposed upon us by industrialists who had no desire to see our areas grow and prosper. Fortunately for the country the Congress refused to go along with that philosophy and took action to insure the orderly development of the Nation's great water resources.⁸

The supporters of the navigation system clearly understood the problems of their states. The cycle of drought and flood, the dust bowl experience of the thirties, the persistence of poverty and the lack of diversification in agriculture, the inability of communities to offer their young people challenging and rewarding employment, the persistent pattern of outmigration, and the deficiencies of education and social services made the south and most of its states a social and economic problem for the nation and a source of shame for many of its inhabitants. The supporters of navigation were firmly committed to economic change, to industrialization, to improving the occupational and income structure of their communities and the well-being of residents. It was a commitment to the realization of the human and natural resource potential of the river valley.

OBSTACLES TO RIVER DEVELOPMENT

The decades required for success in acquiring the waterway resulted not only from the decentralized character of the decision-making process but from a number of other considerations. These included the inadequacy of technology in the twenties for controlling vast amounts of silt and raging flood waters, disagreement among supporters on some vital issues, and third, the jurisdictional disputes between various Federal agencies. Delays also were caused by the Korean War and the economic policies of certain administrations.

At the time that various river valley leaders and organizations indicated an interest in development of the river, the technology for flood control and navigation was fairly primitive. Levees, floodways and spillways were the principal means for flood control and the Jadwin Plan, named for its developer, Major General Edgar Jadwin, Chief of Engineers, was incorporated in the Flood Control Act of 1928.⁹ This plan more or less relied on the strategy which communities along the lower Mississippi and Arkansas Rivers had followed for many years, of both privately and publicly building levees and revetments as flood control measures. These levees did not provide adequate protection when the river was a raging torrent, which happened every three or four years. Several more floods on the Mississippi and its tributaries were necessary to demonstrate to one and all the inadequacy of levees and the need for large, multipurpose reservoirs. Other technological improvements were needed to improve bank stabilization and removal of silt from the river bottom.¹⁰

Some delay also may have resulted from disagreements among supporters of the project. The leadership, including various congressmen and senators disagreed on whether or not an authority similar to T.V.A. should be established to oversee development of the river basin. Both in the thirties¹¹ and in the forties, legislation establishing an authority to develop the region was introduced by various legislators in both the

House and Senate.¹² President Roosevelt endorsed the concept of an Arkansas Valley Authority in the thirties; leaders in Muskogee, Tulsa and, for a short time, Clarence Byrns, supported the concept.¹³ Byrns reconsidered to preserve the Corps' responsibility for river development and the authority of local government. The power companies also opposed an authority to protect present and future markets. The conflict at times became intense. It led to the demise of the Arkansas Valley Association in the forties after the President introduced, without prior notice, the Chairman of T.V.A., David Lilienthal, as the featured speaker for the annual meeting.¹⁴ The Valley Association was replaced in 1946 by the Arkansas Basin Development Association which spearheaded the movement to develop the Arkansas River.

Other disputes involved the issue of whether small or large multipurpose dams should be used for flood control. The former approach was supported for a time by Congressman A. S. Monroney and other spokesmen for oil interests in the area to be submerged by Oologah Reservoir. Monroney succeeded in delaying appropriations for the dam for several years until a compromise was reached. He later became a supporter of the navigation project. Opposition also came from various interests in Oklahoma City, motivated in part by fears that the navigation project might enable Tulsa to surpass the state capital in growth and population.

On the national level, the Corps at first was not enthusiastic over the navigation project. The Chief of Engineers, General Reybold, in endorsing the concept in the 1943 restudy, overruled the Board of Engineers for Rivers and Harbors which had decided against the navigation aspect of the project.¹⁵ This position was due, in part, to the low benefit ratio, 1.01 to 1, and partly to the technical problems involved in construction.¹⁶ In subsequent years the necessity to concentrate the nation's resources on fighting the war in Korea and the negative position of the Eisenhower administration on water development projects further delayed, if not jeopardized, the navigation project. While the Congress authorized the project in 1946, funds were not allocated until 1952. Four more years elapsed before appropriations were made on a regular basis and in amounts permitting the project to move ahead rapidly. Delay in completing the project would have resulted from a move in 1965 by President Johnson to cut appropriations for reasons of economy. The attempt was defeated and the project was completed on schedule.

Efforts to obtain sizeable appropriations for the project after it had been authorized also were hampered by the absence of any overall plan of river development. This resulted in disputes between Federal agencies with an interest in the navigation project, namely the Corps of Engineers, the Bureau of Reclamation, the Soil Conservation Service, and the Federal Power Commission. Representatives from states other than Oklahoma and Arkansas through which the Arkansas River flowed had little interest in the project and provided minimal assistance to supporters. The first bill introduced by Senator Kerr (S.1576, 81st Congress, 1st Session) was

intended to deal with these problems.¹⁷ It called for establishment of an interagency committee for the Arkansas, White and Red River Basins, consisting of members of the above mentioned Federal agencies and representatives of eight river basin states.¹⁸ Although subsequently modified, the Agency was established and produced a multi-volume, exhaustive analysis of the river basins and their development. The work of the Agency played a crucial role in gaining Congressional support for the navigation project.¹⁹

This review of the major hurdles to development of the Arkansas River indicates the types of problems with which proponents had to contend and many of the tasks which had to be carried out. These included formulating beliefs explaining and justifying the navigation project, establishing consensus on both need and basic features, resolution of conflicts among supporters and among members of the congressional delegations, overcoming the opposition of top officials of the Corps of Engineers, Bureau of the Budget and other key members of the Executive Branch, and sustaining morale of supporters despite numerous problems, setbacks, and lethargy. How these were carried out is considered below.

ORGANIZATIONAL STRUCTURE

Whenever two or more collectivities possess the ability to influence the behavior of the other, each unit has much to gain by controlling the other's output. While this can be accomplished in different ways, one could expect designation of specific members to meet with members of the other unit to influence the decision-making process. This type of interpersonal linkage connects the two organizations to each other. The connection, however, between the corporate units is indirect as most members of one unit are linked to those in the other through the contacts the representatives have with each other. These interpersonal ties are not casual or chance contacts, but are designed to serve collective purposes. The interpersonal links facilitate exchanges of resources such as views, ideas, information and favors, intended to influence the decision-making process.

Both horizontal and vertical links were of considerable importance throughout the period when leaders sought development of the river. Each community shared an interest in ending the excesses of the river, and in gaining the benefits of navigation, flood control and improved municipal water supply. Since mobilization of various resources from each community were needed to gain the waterway, some intercommunity structure of linkages had to be developed. As the principal organizations responsible for authorizing, funding and constructing the project were part of the Federal government, vertical ties between the local and national level also were essential.

Two questions are pertinent to an understanding of the horizontal and vertical network: what kinds of persons were selected to interface the various river communities and levels of government? What types of structural arrangements strengthened these networks?

Extra-Local Leaders

Three types of persons played leading roles in linking social units as part of the movement to obtain the waterway. The first type, the salaried staff member who had expertise in an area important for obtaining the waterway, differed from the other two in several respects. As a salaried person he did not have the independence conferred by wealth or ownership of a profitable enterprise. Second, his importance came from possession of information, political know-how or related skills essential for maneuvering the project through the governmental labyrinth. Two men were especially important--Jack Murray, transportation expert for the Little Rock Chamber of Commerce, and Don McBride, engineer, former director of Oklahoma's Planning and Resource Board and for many years, a member of Senator Kerr's staff. As a former railroad man knowledgeable on transportation matters, Murray played a key role in developing information on the probable economic impact of the navigation project. While McBride had great expertise on matters concerning water resource development, he also had many personal contacts with key Federal agency people in this area. He played an important role in developing strategies for overcoming various obstacles and moving the project closer to reality.

The local leaders who played prominent roles in the waterway movement seemed to have been selected from among those men who had demonstrated a strong interest in the project and who had established a record of accomplishment. These men had achieved success in a business or profession, and had been active for years in community organizations, especially the Chamber of Commerce and the church. The waterway leaders had a strong anchorage in the community's institutions. Involvement in the movement often led to activity on a larger scale with influentials from other communities and with state and Federal officials. The local leaders became cosmopolitan leaders, playing both leadership roles simultaneously.²⁰

Newt Graham, a key leader of the river movement, achieved occupational mobility within Tulsa's economic institutions. Graham began his career in 1907 in advertising for a local paper. He then became an account executive for a local bank, and moved up to the vice presidency some years later. He also served on Tulsa's Park Board, and throughout the time that he promoted the river project as chairman of a hospital board. As chairman of the legislative committee of the Oklahoma Bankers Association, Graham had frequent and regular contact with bankers in the state and with members of the legislature. By the late twenties Graham also had served on the Chamber of Commerce's committees on water resources. In 1934, the Tulsa banking community selected Graham to head the clearinghouse association, a position which enabled him to work continuously on the river project.²¹ This position enabled Graham to keep abreast of project developments to recognize and respond to various problems as they occurred. But throughout this period positions on the park board and the medical center enabled Graham to perform important duties for Tulsa and to keep in close contact with other local leaders. He had a power base, so to speak, both within and without the community.

Graham was not the exception in exemplifying the combination of local and cosmopolitan leader roles. Arthur Ormond of Morrilton, a founder of the Arkansas River Association which was a forerunner of the Basin Association, who made many trips to Washington in behalf of the project and is a life member of the Water Resources Congress, had a strong anchorage in the community. He had established a successful insurance and real estate agency, and served on the boards of a bank and of the local industrial development foundation. He also has played an active role in the Chamber of Commerce, service clubs, and Presbyterian Church. Ormond was deeply involved in several different local networks--fraternal, religious and economic--while participating on various vertical levels to further water resource projects.

Since most leaders active in the movement had strong local ties, they represented an important segment if not the entire leadership of the community. Their views and suggestions had to be taken seriously. They were in a position to swing local leaders behind the river movement to acquire various resources, including money from friends and acquaintances, for use by the movement. The combination of local and cosmopolitan roles contributed to the integration of the activities on the extra-local with those on the community level.

The third type of leader in the movement was more specialized in the direction of the cosmopolitan role. These persons held elected office on the state or national level. They had strong ties in their community of residence and throughout the district they served. Inasmuch as these leaders often had access to those who were involved personally in decision making concerning the waterway, they directly linked the river basin communities to key centers of decision making in the Federal government. The project might never have been built had several congressmen not gained important positions on Congressional committees having responsibility for water resource projects.

Interorganizational Linkages

Many of the leaders who rose to prominence in the river movement not only were proven community leaders but also were involved in an extensive network of extra-local contacts. Several of these men either had served in or had had close contact with government and had acquired a firm grasp of the operations of the legislature, executive agencies and the political process. Graham had served in the Oklahoma legislature²² and for many years as chairman of the legislative committee of the Oklahoma Bankers Association.²³ As lobbyist for the bankers association, Graham knew bankers, legislators and officials throughout the state. Those he did not know were likely to be known by some of his closest associates. Glade Kirkpatrick of Oklahoma, for example, served as a state legislator for eight years and as Chairman of the Game and Wildlife Commission. Don McBride, who had been with the Soil Conservation Service in the thirties when Kirkpatrick first met him, later became executive director of the

Oklahoma Planning and Resources Board. Clarence Byrns also had an extensive network of contacts throughout state government. These contacts were acquired largely as a result of attendance at each session of the Arkansas legislature in Little Rock from the opening day to the closing bell. Byrns' columns during this period explained the various bills under consideration and their significance for residents of the state. He also kept in close contact with most of the governors. Byrns served for many years as Chairman of the Bistate Committee and spokesman at hearings in Washington on matters concerning the navigation project. Finally, David Terry, another Arkansas member of the Committee had acquired many contacts at the Federal level as a member of the Congress. Many of these men also possessed considerable expertise in the field of water resources and conservation as a result of government service.

A considerable amount of time and energy was invested in the maintenance and expansion of the networks which tied local interests to key state and national leaders. Insight into the efforts made to establish contacts with key decision makers, and to connect the river basin network with strategic centers of national power, was provided by Don McBride in explaining the techniques used by Robert S. Kerr during his tenure as Governor. He said:

...In the first year of his governorship until his election to the Senate, Kerr would make a trip to Washington on an average of once a month. I would prepare an agenda of people to see about various projects. He and I would visit the Chief of Engineers, the Commissioner of Reclamation, and the Chief of Soil Conservation and others. We presented our needs and would ask if we could be of any help to them. We would invite them to Oklahoma. As far as I know, Kerr was the only Governor who got himself on a first name basis with top men in the natural resource field. On one of these trips he would generally see the President, the chairmen of the committees of Congress that dealt with the authorization and appropriations for our project. He would always visit the Speaker of the House and the majority leader of the Senate...²⁴

Kerr also maintained close contact with top personnel of the Budget Bureau, an agency which had considerable influence over construction projects. Kerr, as leader, recognized the value of personal relationships with men in key positions of various organizations, including educational, religious, political and natural resource. He used his wealth to entertain men and women in positions of importance for projects which he sought to promote. This included President Kennedy, who was entertained at the Senator's ranch in the fall of 1961, and received a thorough briefing on the navigation project.²⁵

Graham used similar techniques to develop a network with persons in strategic positions. Robert Kerr, who was influenced by this practice, stated:

Whenever a new president or governor took office, Newt called on him and appealed for support of the Arkansas project. That was how I came under the influence and tutelage of this remarkable man after 1942.

Newt and I formed a close working relationship, partly through our mutual friend and associate, Don McBride.... The three of us thus developed our unofficial "strategy board" which functioned until the time of Graham's death.²⁶

Graham also established personal ties to the key people in the Corps of Engineers, including the Chief of Engineers. He considered several as close friends, including General Reybold, who approved the navigation concept for the Arkansas River despite a contrary ruling by the Board of Rivers and Harbors. Reybold also selected Tulsa for the office of the Corps of Engineers.²⁷ Graham's friendship with another Chief of Engineers, General Markham, also may have had an important payoff. General Markham was persuaded by Graham to order a review of the original "308" report on the Arkansas River project which did not consider navigation to be feasible.²⁸ The restudy reversed this conclusion, a view subsequently endorsed by General Reybold.

The leaders of the project knew the importance of entertainment and other informal social activities in solidifying the network which tied local interests to important leaders on the state and national level. The annual meetings of the Arkansas Basin Development Association became an occasion for inviting top people from the Corps of Engineers, including the Chief and staff members, to attend and speak to the river supporters in the two states. The resources of the country club, downtown hotels and private clubs were used to entertain these visitors.²⁹ Nor were members of the congressional delegation of Arkansas and Oklahoma neglected. It became a common practice whenever local people were in Washington to testify at a committee hearing and to host a dinner meeting with the delegations of the two states at a local restaurant. These occasions were very popular and enjoyable although expensive.³⁰

In the thirties and forties the river basin communities were linked to major power centers on the national level mainly through the contacts which Kerr, Graham, Terry and others had established with incumbents of important offices. The linkage to national power centers became direct in the fifties, due largely to the positions on important committees held by Kerr, McClellan and a few other congressmen. Kerr obtained the chairmanship in 1955 of a subcommittee which designated water resource projects for construction, the Rivers and Harbors Subcommittee of the Senate Public Works Committee. This position and his diligent work enabled Kerr to have a decisive influence on the projects approved for construction.³¹ By assisting various members of Congress to obtain projects for their districts, he acquired social capital for promoting

the navigation project.³² Kerr also was in a strong position relative to the Corps of Engineers, since the attitude of the Subcommittee had a decisive influence on the agency's responsibilities and budget. Kerr used his position to persuade the Chief of Engineers to reclassify the project from economically unfeasible to feasible.³³ This removed a major obstacle to construction of the project.

The committee positions held by various Oklahoma and Arkansas legislators made them members of the national power structure for public works projects, including the navigation system. They were "insiders" and were less dependent on those who had direct contacts with other participants, although support from congressmen always was important. Senators McClellan and Monroney, as members of the Appropriations Committee, influenced decisions on allocation of funds. McClellan also had placed the Corps in his debt by successfully opposing the move in the late forties to transfer the civil functions of the Corps of Engineers to the Interior Department. On the House side, Carl Albert became majority whip in 1955 and majority leader in 1962, positions of considerable importance for the passage of legislation. A Republican, Page Belcher, used his contacts with the White House in 1955 to eliminate presidential and Bureau of the Budget opposition to spending funds on the navigation project.³⁴

Formal Organization

Local leaders also needed considerable support from the community and state level. Since the key to obtaining and retaining this support required a variety of activities, some type of formal organization whose officers and directors were committed to the project would be invaluable. After years of experimentation with several different river associations, effort concentrated on the Arkansas Basin Development Association (ABDA), which joined interested persons in Arkansas and Oklahoma, and the Arkansas Basin Association (ABA), which restricted membership to residents of Arkansas. These two organizations brought together the persons in the river basin communities who were interested in and willing to work in behalf of the navigation project. These formal structures provided the machinery for raising the funds needed by Newt Graham and, on occasion, by Don McBride. One factor that led to establishment of the ABDA in 1946 was the need for funds to assemble and analyze information on the anticipated benefits of the navigation project which the Corps could use to determine its economic feasibility.³⁵ Considerable effort and monies were expended to collect data on the potential use of the waterway for shipment of various commodities. While the ABDA had the full cooperation of a transportation expert, Jack Murray, much of the data had to be obtained from firms that might use the waterway if it were built. Newt Graham and Glade Kirkpatrick journeyed to west Oklahoma, Kansas and Colorado to obtain information from shippers on the potential movement of grain on the Arkansas River. Several trips were required as the

shippers were reluctant at first to provide information on transportation costs. A similar effort was made to obtain information from various petroleum companies.³⁶ The findings of these and related studies were made available to the Corps for developing the cost-benefit ratio and to justify construction of the project.

The ABDA and ABA also mobilized members for hearings both at home and in Washington, and disseminated information on the project to further local understanding and strengthen local support. The various meetings of the two organizations also were used to solidify contacts with Corps officials in Washington by bringing them to the community. These occasions were used to reemphasize the need and demonstrate local support for the project, and, on at least one occasion, to obtain major concessions from the Corps.

Both the ABDA and ABA continue to function as water resource organizations. The former has expanded its objectives to include development of water resources in five states while the ABA is concerned mainly with the operation of the navigation project. In recent years the ABDA has strongly supported Corps research on the possibility of limiting the chloride content of the Red River. Success of this program and application to rivers with a high chloride content could greatly increase the water resources available for a variety of purposes, especially irrigation and municipal needs.

The states of Arkansas and Oklahoma also became involved in the effort to obtain the navigation project; responsibility was not left solely to supporters in the local river basin communities. In 1944, Governors Laney and Kerr established the Arkansas-Oklahoma Interstate Water Resources Committee consisting of three members from each state.³⁷ Oklahoma was represented initially by Newt Graham, Don McBride and T. Elmer Harbour, a merchant from Muskogee. The Arkansas appointees were Clarence Byrns, Reece Caudle, an attorney from Russellville, and J. C. Murray, traffic manager in the Little Rock Chamber of Commerce. Newt Graham was the first chairman, later succeeded by Clarence Byrns, who was followed by Glade Kirkpatrick.

Establishment of this committee considerably strengthened the advocates of the development project. The movement became an official project of the two states, with full support of the two governors. State funds were provided to send delegates to Washington and for conducting studies on the advantages of the project. The committee also strengthened relations between the river basin leaders in the two states. Members met several times a year to develop strategy for the hearings in Washington on various phases of the navigation project. Committee members became a "steering committee" of the basin development movement. Second, the committee strengthened the ties between the local communities, state government and the Federal government as it provided another organizational linkage between these levels. Third, by appointment to the committee, the basin leaders gained official

status and legitimation of efforts in behalf of the waterway. They now acted as representatives of their state. Fourth, the committee improved the effectiveness of presentation at Congressional hearings. The amount of time required for presenting evidence was greatly reduced since the chairman made the case for the project. Congressmen were not burdened by the necessity to hear from a plethora of "spokesmen," a saving of time and energy for committee members which earned supporters a large measure of gratitude. Fifth, the oral presentation by the committee's chairman and the preparations made beforehand also produced a unified stand on various aspects of the project. The two states "spoke" as if with one voice, a circumstance which gave greater force to the arguments in behalf of the project. Finally, establishment of the committee signified statewide commitment to the development project and added the weight of state government to the resources mobilized from the local communities. Establishment of the committee made a significant contribution to construction of the project.³⁸

A major change in governmental structure at the national level also increased support for the project. Despite authorization of the project in 1946, Congress and the Corps remained unenthusiastic for many years. Construction funds in needed amounts were not appropriated. A number of factors were responsible for this circumstance. These concerned, in part, the continuing controversy between Federal agencies with different responsibilities and strategies for water resource development, especially the Bureau of Reclamation, Soil Conservation Service and Corps of Engineers. States other than Arkansas and Oklahoma which had an interest in the three major river basins, but which were not involved directly in the navigation project, remained aloof. The geographic area for planning water development also was too limited, and needed to include the major river basins in a number of states.³⁹ The first bill introduced by Senator Kerr called for establishment of a commission consisting of representatives of the Federal agencies concerned with water resource development and the governors of eight states. After lengthy debate and some modifications in the original proposal, the commission was established, an exhaustive study of the Arkansas White and Red River Basins was completed and the results published. Don McBride, a principal architect of the legislation establishing the inter-agency commission, assessed the results as follows:

...It certainly brought about priorities and recommendations of Federal agencies on projects other than those of an agency responsibility. It has resulted in more than just building a one purpose project. It was the sustaining basis of broadening legislation...the AWR has strengthened state government in understanding regional development...it has resulted in broad coordination of Federal agencies that we did not have before....⁴⁰

ANALYSIS OF A SUCCESS STORY

What factors were responsible for the success achieved by a handful of leaders from two relatively small, underdeveloped states in a "backward" region of the nation in obtaining a multibillion dollar water resource project? How can we account for the acquisition of a costly facility at a time when leaders from other states, especially Texas and Alabama, also were seeking navigation projects? Needless to say, a combination of factors were involved.

Proponents of the waterway initially were at the periphery of the major power centers concerned with water resources. They were "outsiders" struggling to be heard by officials of the Corps and other agencies. The river basin leadership by the mid-fifties had become a vital part of the Nation's power structure for water resource development. This change was due mainly to the election in 1948 of Robert S. Kerr to the Senate and his acquisition in 1955 of the chairmanship of the subcommittee which selected water resource projects for construction. Ascension to this position on the subcommittee for Rivers and Harbors of the Senate Public Works Committee provided Kerr with resources which he skillfully used in collaboration with colleagues from Oklahoma and Arkansas, especially Senator McClellan, to obtain support from other senators. His mode of operation was described by one journalist:

...the base of power is Kerr's post as Chairman of the Rivers and Harbors Subcommittee of the Senate Public Works Committee. Every two years this subcommittee produces a bill that, in one way or the other, puts dozens of Senators in the debt of the Senator from Oklahoma.... The powers in the Senate--Allen Ellender of Louisiana, for example, or Richard Russell of Georgia--are regularly taken care of. So are many sleepers. In the last days of the last Congress, Kerr could even win support from Thruston Morton, a Kentucky Republican, and Frank Church, a liberal Democrat from Idaho. The 1962 Public Works Bill included money for Devil's Jump, a \$151,000,000 reservoir in McCreary County, Kentucky, and Bruces Eddy, a \$186,000,000 dam-and-reservoir program for the Clearwater River in Idaho.⁴¹

Kerr had many other assets which enabled him to gain support for projects he considered vital. These included vast wealth, estimated at close of \$40 million, and a magnificent ranch in southwest Oklahoma often used to entertain guests. As a founder and president of a major energy company, Kerr-McGee Oil Industries, Kerr had extensive contacts in the petroleum and gas industries. He knew virtually all important leaders in education, the Baptist Church and state government in Oklahoma. He could call on qualified people in many fields for help with projects he was pushing.

Kerr's strength included more than important committee positions in the Senate. He had a good relationship with President Truman, whom he pushed for vice president at the Democratic Convention in 1944. Kerr also publically supported Truman for dismissing General MacArthur. As a member of the Senate Democratic Policy Committee, Kerr belonged to the leadership circle which included Lyndon Johnson, Richard Russell and Allen Ellender, among others, a factor which may explain his rapid rise on three important committees.

Kerr's success in gaining votes for projects did not rest solely with the ability to take care of a colleague in an important legislative bill. He also was able to more than adequately justify and defend proposals which he favored. Kerr had a quick and penetrating mind, and was capable of prodigious amounts of work.⁴² These characteristics enabled him to become an "authority" on matters which came before the subcommittees on which he sat. As he also was a formidable debater, few colleagues could successfully argue the contrary position. He took considerable pains to emphasize, for example, that the navigation project was not "pork barrel" legislation, but an investment in the development of a river basin to benefit tens of thousands of American citizens. The project would conserve valuable resources and provide badly needed electrical energy.⁴³ The navigation project was justified in terms of both local and national interests.

Control over strategic decision-making bodies at the Federal level was the culmination of a long series of steps taken to gain the navigation project. Kerr and his colleagues could not have succeeded if many other tasks had not been carried out successfully. These included the following: (1) Selection of Newt Graham in 1934 to work full-time on the project; (2) restudy of the original "308" investigation that found navigation to be not feasible; (3) establishment of the Bistate Committee; (4) establishment of the ABDA; (5) gaining the support of local oil and power interests which, at one time, had opposed the project; (6) converting Senator Monroney from an opponent to a supporter of the project; (7) establishing the interagency committee for the White, Red and Arkansas Rivers; and (8) selection of Senator Kerr as Chairman of the Rivers and Harbors Subcommittee of the Senate Public Works Committee. Despite Kerr's abilities and power, he could not have succeeded had not the congressional delegation of the two states, the two governors, leaders of the various communities, and the "spokesmen" for the public openly supported the project.

Each river basin community for many years gave generously in leadership, organizational support and financial aid. The basic thrust and impetus for the movement came from the local level, from the groups in the community which most keenly felt the disadvantages of periodic flooding and drought and the potential for economic and population growth. From the evidence available, Tulsa seemed to have made a significant contribution. This consisted, in large part, of the establishment of an organization by the banking community which provided Newt Graham with the time

and financial resources to work continuously on the navigation project. The banking community and other local business interests also made financial contributions over the years to cover many of the costs of collecting information, travelling to Washington and elsewhere in behalf of the project. These interests also contributed regularly to the Arkansas Basin Development Association, which organized the various community groups and leaders in the two states in support of the project. Tulsa support, however, does not necessarily signify that relative aid exceeded that forthcoming from other localities. As a larger city with many wealthy families, including those that had made a fortune in the petroleum industry, the city was in a position to contribute more to the movement. In the final analysis, success was due to a well-organized, intercommunity movement to which each component made a contribution.

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CHAPTER 3

METHODOLOGY

INTRODUCTION

The large amount of public monies spent to construct the navigation system impelled the U.S. Army Corps of Engineers to assume the responsibility of evaluating project benefits in terms of economic and social cost accounting as if project initiation, decades of planned activity to secure support, and community development for system use were Corps inspired, encouraged and controlled. They were not.

A major assumption based on previous study postulated that no major construction project may be planned and executed without local or area leader support.¹ Possible project justification, evaluation and legitimacy should be a shared responsibility of both proponents and builders, but it seldom is. The utilization made of and changes in the lives of area residents accruing from a project is a function of leader and resident vision, resources, and faith in the community and area. On this presumption, it was assumed that what did or did not occur in communities along the river and the social changes which did or did not materialize would be primarily the result of community leadership action or inaction. The research design and methodology attempted to isolate questions and data which might provide useful knowledge leading to a predictive model of development for other long-term projects.

Most of the data was collected through personal interviews with community leaders and individuals filling supportive public and private offices. A range of methodological techniques were selected to permit the versatility required. These are identified and discussed below.

SELECTION OF STUDY COMMUNITIES

The designated place of study was that geographical area surrounding the McClellan-Kerr Navigation System from Catoosa/Tulsa to the Mississippi River. All communities located within a few miles of the Arkansas River and with over 10,000 population were selected for study. These criteria eliminated those communities below this level and those further removed in miles from the river. Their exclusion is not meant to suggest that the construction and existence of the system has not affected growth, development and the social life of their residents. Limitation of research time and monies affected the inclusion/exclusion decision.

The resulting study communities were: Catoosa/Tulsa and Muskogee, Oklahoma; Fort Smith, Van Buren, Russellville/Dardanelle, Conway, North Little Rock, Little Rock, and Pine Bluff, Arkansas. Although smaller in size, some interviews were conducted in Ozark, Morrilton, and Mulberry,

Arkansas, and in Sallisaw, Oklahoma. In each case a key leader during the developmental stage of the system lived in the community and had been named countless times for his leadership efforts by other leaders in Arkansas and Oklahoma. Moreover, Ozark helped place in perspective the obstacles and frustrations of change in a small community.

LEADERSHIP IDENTIFICATION INSTRUMENTS

In a study of 21 U.S. Army Corps of Engineer dams in Texas, residents in communities adjacent to the dams who had either supported or sought construction were identified by the researchers through the compilation of leader lists using several organizational affiliations. The two sources which proved most successful in producing key leader names were bank presidents and Chamber of Commerce executives. The former were slightly more productive than the latter. Other organizational listings including city government executives--Rotary, Kiwanis and Lions--proved unsatisfactory.

Banks in Arkansas/Oklahoma cities, particularly in Tulsa and Little Rock where the number is high, were selected from the American Bank Directory and the Directory of American Savings and Loan Associations on the basis of size of bank deposits and assets. A letter (Appendix 1) was sent to the president of each bank, a total of 36 letters (see Table 3-1).

Letters (Appendix 1) were directed to the Chamber of Commerce executives in nine cities and towns compiled from the national Chamber of Commerce directory. Letters (Appendix 1) were sent to the publisher/editor of newspapers in 10 Arkansas/Oklahoma communities. The letters to the first two groups of respondents requested the names of leaders active in system development and/or active or knowledgeable about economic development. The letter stated that a personal interview would be a primary instrument for data collection. In addition, the newspaper letters requested information on the availability of library files on the system and community development. Table 3-1 lists the distribution of letters sent and the number who responded in each of the three respondent groups by community. Approximately 50.0 percent of the bankers and newspapermen and 77.7 percent of the Chamber of Commerce executives replied. With only four exceptions, every bank president or chairman of the board active in community development and named frequently by other leaders as a community leader responded. The two Chamber of Commerce men who did not reply had changed positions and had left the community of our interest. Those newspapers that responded had editors or owners who were active in the communities and were mentioned by interviewees during the months of field research; the seven who did not respond were never mentioned as leaders. Most of the letter responses, particularly those from bankers, carefully listed and annotated leader names with work and action areas and contributions. Helpful suggestions of other data sources were sometimes made.

TABLE 3-1

NUMBER OF BANKS, CHAMBERS OF COMMERCE, AND NEWSPAPERS
SENT LEADER IDENTIFICATION LETTER BY COMMUNITY
AND NUMBER WHO RESPONDED, ARKANSAS/OKLAHOMA

<u>Communities</u>	<u>Banks</u>		<u>Chamber of Commerce</u>		<u>Newspaper</u>	
	<u>No. Sent</u>	<u>No. Responded</u>	<u>No. Sent</u>	<u>No. Responded</u>	<u>No. Sent</u>	<u>No. Responded</u>
Tulsa	5	4	1	1	2	2
Sallisaw	2	1	1	1	1	1
Muskogee	6	3	1	1	1	0
Fort Smith	5	3	1	1	1	1
Russellville/ Dardanelle	5	1	1	0	2	1
Conway	2	2	1	1	1	1
North Little Rock	2	0	1	1	0	0
Little Rock	6	2	1	1	3	1
Pine Bluff	<u>3</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>0</u>
TOTAL	36	18	9	8	13	7

A card was written for each leader mentioned and included the name of the man who was the referral agent. Lists of names for Oklahoma and Arkansas were shown to Corps of Engineer Public Relations Officers in the Tulsa and Little Rock district offices for comment, exclusion, and additions. Interviews were planned with all men who were named by three or more respondents. A total list of 36 names was compiled with three or more nominations: 15 in Oklahoma, and 21 in Arkansas. Fourteen of the 15 in Oklahoma and all of the Arkansas leaders were interviewed. As community interviewing proceeded, 185 additional names mentioned in leader interviews were added. Most of the additional names were in government, planning and industry/commerce. Of these, 32 were in local government, 21 in state government, 13 in planning agencies, 27 in industry, 78 in commercial enterprises, 5 were environmentalists, 5 were professionals in education or medicine, and 4 were retired or in other diverse occupational groups.

During the course of each interview, respondents frequently mentioned and were encouraged to mention other leaders. Names not previously known were added to the list. Generally, leader names secured from letters fell into three classes: (1) Active in the history of system development, (2) active in water and port-related business or groups, and (3) active in overall economic development of the community. Leaders named during interviews were more often active in specialized areas such as government, port development, planning, absentee-owned industry and local industrial development (e.g., utility companies), and state, regional and Federal agencies. A number of leaders added to the list were men who took differing positions on the nature of, type of and amount of development. Some of the leaders opposed development.

A separate letter was sent to a total of 16 mayors, to city administrative assistants, city managers, and planning and industrial commissions to solicit initial information on the role/policies of government on system and overall economic and social development (Appendix 1).

Leader Interviews

All interviews, with the exception of 13, were conducted by senior researchers. Appointments were made by phone, often as long as two weeks preceding the interviews, to assure inclusion in heavy schedules. Almost all of the interviews were conducted in the interviewee's office. When interruptions did not occur, interviews usually took between one to three hours. Prescheduling interviews had several observable advantages. First, the leader had time to thoughtfully consider the interview area and organize comments he wished to make and material he wished to assemble. Several respondents moved the interview into areas they felt should be considered or where they possessed specialized knowledge that others did not share; several offered "clues" which they felt the researchers should follow-up, naming possible respondents. Many had collected reports of previous studies, books, newspaper clippings, industrial reports, etc., for the researcher to review, borrow or have. On occasion, the interviewee had expended considerable time in preparation for the interview.

After the first trip, as a time-saving device and an effort at greater accuracy, the respondent or his secretary was asked for a prepared vita (resume' or biographical data sheet), if one was available. These were examined during the interview and omissions were secured. Neglected areas tended to be religious affiliation and private club membership, e.g., country club. Many of the vita proved to be much longer than could easily be secured in a reasonable time period at the end of a lengthy interview.

Most of the respondents proved to be objective about their communities, recognizing the positive and analyzing the negative, and acknowledging problems. On a few occasions, interviewees invited other colleagues to join the interview, complicating the session in terms of limiting the intrusion of more sensitive questions by the interviewer and responses by the primary interviewee.

An interview guide (Appendix 2) was developed which contained a range of possible interviewee knowledge areas; interviewees were questioned on those areas of the guide which were within their knowledge base. Additional questions provoked by interview responses or by previous interview data in the specific community or state were frequently added. Every interview purposely remained open with the understanding of the interviewee that the researcher could clarify information or raise additional questions by phone or mail at a later date.

The interview guide consisted of four parts. Part I reviewed the interviewee's efforts in pre- and post-system development. Part II focused on changes in the community related to system development and the formulation of policy on river use, community development, industrial recruitment and growth. The third part questioned who the respondent worked with to get things done on the local, state and national level. The last section consisted of biographical data on the interviewee including organizational and board memberships. Some question areas were not asked of certain respondents. A number of interviewees knew little about the long history of project development. Others were interviewed for specific information on history, growth, transportation, and planning and were not community leaders on the policy and decision-making levels. As a consequence, the latter were not asked questions on leader interaction.

Compilation of Leader and Community Information Data

All codable data from the interview guide was prepared for computer analysis on the Amdahl 470 V/6 computer. In addition all qualitative data from the interviews was coded by interviewee number and type of information and filed by the latter for analysis retrieval.

Information on bank boards, port authorities, planning groups, industrial development organizations, and city government was secured and analyzed to determine leader overlap, contact and interaction. Organizational affiliation on the local, state and national level and leader information on who they interacted with was also analyzed.

NEWSPAPER FILES

Library files on system and economic development were reviewed and pertinent articles xeroxed from the Tulsa Tribune, Southwest Times Record, and the Arkansas Gazette. System material from the Sequoyah County Times (Sallisaw, Oklahoma) was supplied by the publisher. A clipping file was maintained for the Tulsa Daily World, the Muskogee Daily Phoenix, and the Arkansas Gazette in all areas of concern related to this study: growth, industrial recruitment, port and park development, leader action, etc. The Southwest Times Record made available approximately 25 years of the daily column of its editor, Clarence Byrns, a key leader and spokesman for system development since the twenties. This proved to be an excellent source of data.

INDUSTRIAL RECRUITMENT

The system as a spur to industrial development and efforts of communities to organize the resources which made a community attractive socially as well as economically was considered important. Letters were written to the home office of every company with over 30 employees that moved to the research area between 1970 and 1976 listed in the Directory of Arkansas Manufacturers, 1976, prepared by the Arkansas Industrial Development Foundation and the Oklahoma Directory of Manufacturers and Products, 1976, published by the Oklahoma Industrial Development Department (Appendix 1). Companies were asked: (1) If the construction of the McClellan-Kerr Navigation System had influenced their decision to locate in the area, (2) to discuss other factors that resulted in the specific plant placement. A total of 169 letters were sent, 130 in Arkansas and 38 in Oklahoma. A 30 percent return was received in Arkansas and 40 percent in Oklahoma. Special attention was given to the collection of data on industrial recruitment by local leaders, state organizations, and utility companies. Interviews were conducted with industrial recruiters on all three levels and with the managers of plants in the river communities using the river or with potential for river use.

ADDITIONAL DATA SOURCES

A review of previous studies--both historical and contemporary--revealed a number of dissertations, a wide variety of publications, and house organs. During interviews, organization, agency, municipality, industry reports and studies were collected, representing a range of community interests. A number of different agencies furnished studies of various aspects of the waterway and the communities adjacent to it. These include the Institute for Water Resources; the Ozark Regional Commission, Chambers of Commerce in Tulsa, Muskogee, Fort Smith, Conway, Morrilton, Russellville, Little Rock, North Little Rock, and Pine Bluff; World Wide Transportation; Conway Corporation; and the Ports of Tulsa, Muskogee, Fort Smith, Dardanelle, Little Rock and Pine Bluff. Many of these groups placed us on their mailing list for monthly or bimonthly publications.

The history of the Tulsa office of the Corps of Engineers and a similar publication for the Little Rock office were important sources of information on development of the waterway.

Data on population and the economy of the various cities were compiled from various publications of the U.S. Bureau of the Census and local governmental and planning groups.

Information on development of amenities and facilities important to industrial recruitment such as airstrips and air service to corporate headquarters, rail and highway access, health services, environmental sanitation, and availability of resources, was gathered through interviews, current directories and publications.

THE RESEARCHERS

The scope, size of geographic area, time frames, and funding of the study dictated that the researchers were "outsiders," never "insiders." They did not participate in the activities of various groups and community organizations and did not meet with various interviewees in informal settings. They did not have the opportunity or the risk of observing controversy first hand. They were not forced to make decisions during elections, participate or refrain from assisting in fund raising activities, and did not attend community churches or belong to private clubs. However, the research team spent approximately eight weeks each in the river communities or a team total of 33 weeks. In addition to interviewing, attempts were made to acquire an understanding of ecological patterns, community characteristics and the social and cultural life of residents. In summary, no attempt was made to live in the communities.

Data collection was systematic and focused on policies, decisions and leader interaction related to community growth or lack of growth. The level of social amenities and services was also determined. Field work did not involve unstructured casual talking, observing and listening to people in general. The number of communities to be studied and the procedures, techniques and instruments used limited possible emotional attachment of the researchers to specific communities.

Most of the findings of this study should be possible to replicate if the researcher is a skilled interviewer and has had previous field experience with the level of leadership represented by the respondents. Certain problems could limit duplication; if the researcher failed to make appointments in advance appearing on-scene without prior contact, he might be denied an interview or the interview could be guarded and less productive in terms of preparation of supportive materials. A number of our respondents took the University phone number and called back about an appointment. In some cases it was a check on the legitimacy of the study. Second, any researcher who antagonized a respondent could receive limited cooperation from another respondent who was his friend. From one visit to a community

to another--usually separated by a month--one respondent told another of his interview. As a consequence, an interviewee often referred to the fact that Mr. _____ had told us "such-in-such" and he wanted to add to the knowledge base. If a previous interview had "gone bad" it could have altered study results.

Furthermore, skill in knowing how to probe, how to follow-up a sensitive area, and how to recognize an area of lucrative data from a chance statement is an important differentiation between field personnel. Whether one is using a schedule with large numbers of closed questions or not, interviewer rapport will make or limit the value of an interview. The use of open-ended questions and the probes necessary with the use of an interview guide require a skilled interviewer. Limitations in the latter could alter duplication of findings.

VALIDITY AND RELIABILITY OF DATA

Information offered by respondents was checked and double checked for accuracy with official records and with other leader's lay or official participants in meetings or those present during reported events. With the exception of official positions reported by industrial managers or activities reported by agency executives, leader reports of community events, policies and programs utilized in report analysis were secured from a number of participants and/or official records.

NOTES TO CHAPTER 3

1 Schaffer, Ruth C., "Social Impact of Twenty-one Texas Corps of Engineers Dams," in Earl Cook, et. al. Reservoir Impact Study. Office of Water Resources Research, U. S. Department of the Interior, No. 14-31-0001-9046; C-4281, 1974.

2 Ibid.

CHAPTER 4

COMMUNITY PROFILES

Approximately three dozen communities are scattered in a seemingly haphazard fashion on either side of the Arkansas River from Tulsa/Catoosa to the Mississippi. Varying in population size from less than 100 to 331,000, a research selection process was devised which would permit an understanding of the processes and complexities accompanying development or lack of development in various size units. It was felt that communities over 10,000 population might be promoting or may have promoted some development. Two Oklahoma and five Arkansas communities met the selected population level: Tulsa and Muskogee in Oklahoma, and Fort Smith/Van Buren, Russellville/Dardanelle, Conway, Little Rock, and Pine Bluff in Arkansas. Fort Smith, Van Buren, Russellville, Dardanelle, Little Rock and North Little Rock are separate legal entities. The first two and last two are paired within the same SMSA and will sometimes be considered separately and sometimes as one. Three additional communities--Sallisaw, Oklahoma, Ozark and Morrilton, Arkansas--were added and a limited number of interviews were conducted in each. The latter populations were 4,888, 2,592, and 6,810, respectively (Table 4-1, end of chapter). The additions were made for two reasons: (1) each possessed or had had a key, long-term "water leader" who had worked for many years to secure the navigation system, and (2) they offered an opportunity to analyze small-town response to the navigation system.

A preliminary question or questions narrowed down to how (in what ways) these communities were similar or different. Did the similarities or differences among communities affect the ability of a particular community to develop? Were population characteristics for such factors as age, sex, education and income, etc., similar? Was participation in the historical development of the navigation system by a community a factor in its later use of the river? Are factors such as leadership strength, policy making on economic and social growth and use of the river, and access to crucial resources for development important factors in development? Is the image residents have of their community and state a factor in development and did differences exist in the way communities viewed themselves? Did location in either Arkansas or Oklahoma affect developmental aspects in terms of different state laws, programs, and culture patterns?

CHARACTERISTICS OF THE POPULATION

The portions of the two states through which the Arkansas River Navigation system flows differ from each other. Traditionally Arkansas has been classified among the southeastern states, while Oklahoma is a southwestern state. Although contiguous and possessing some common cultural patterns, there are distinct cultural differences between south and west. Furthermore, there has been long-time dissention between east Oklahoma,

central "Oklahoma City," and the Oklahoma Panhandle based on different economic interests, resources, and distribution of political and economic power. While Little Rock is Arkansas' largest city and state capital, Tulsa has lived and fought in the shadow of a larger city and capital, Oklahoma City. A well-watered, often flooded eastern Oklahoma has long been at odds with a dry, water-hungry, water-hunting western Oklahoma.

Unlike Oklahoma, most of the urban development in Arkansas is in the river valley cutting across the state. Arkansas is divided into three distinct areas: the mountains to the north and southwest extending to the north central area of the state, the industrialized, growing, developing strip of land on either side of the Arkansas River from Fort Smith to Pine Bluff, and the delta of the east and southeast. Both the former and the latter have consistently lost population; only the river valley has continued to grow and develop in the last two decades. The Ozarks and other mountains have gained tourist and retiree popularity in recent years. Some growth in these industries have been limited by the inaccessibility created by poor and limited roads. The delta is still linked to the culture of the "Old South," incompatible in many ways with urban and industrial growth, influx of "new" people, and certain types of change.

In 1970, Arkansas was still 50 percent rural compared to Oklahoma which was 32 percent rural. In the 1930 and 1940 censuses, Arkansas' population grew 5.1 and 5.8 percent, respectively; in the 1950 and 1960 censuses, it fell 2.0 and 6.5 percent, respectively. Only in the 1970 census of Arkansas was an increase of 7.7 percent experienced. In Oklahoma declines were noted in the 1940 and 1950 census (2.5 and 4.4 percent, respectively). Population increases in Oklahoma were noted again in 1960 and 1970 (4.3 and 9.9 percent respectively).

Of the river valley communities, two are large metropolitan centers. Tulsa is almost two and a half times larger than Little Rock (see Table 4-1, end of chapter). Approximately half the size of Little Rock are four middle-size communities—three in Arkansas and one in Oklahoma—Fort Smith (62,802), North Little Rock (60,040), Pine Bluff (57,389), and Muskogee (37,331). Conway and Russellville are small communities of 15,510 and 11,750, respectively. Only one of the communities, Muskogee, lost population between 1960 and 1970. The largest population gains were in Conway (58.4 percent), Sallisaw (45.0 percent), Pine Bluff, Russellville, and Ozark (30.5, 31.7 and 31.9 percent respectively). Little Rock and Tulsa, with expanding suburbs outside the city limits, had gains of 22.9 and 26.7 percent, respectively. Estimates of Russellville population growth between 1970-1975 is 32 percent (Russellville's assistant to the mayor, April 1976). Sallisaw's and Van Buren's gains between 1970 and 1975 were 33 percent and 20.5 percent respectively. Sallisaw, Ozark, Conway, Morrilton, and Russellville were located in counties which were more than 50.0 percent rural (Table 4-1, end of chapter).

Geographically the communities with larger percentages of blacks and other nonwhites were in the far western and eastern sections of the river: Muskogee, Pine Bluff and Little Rock. With the exception of North Little

Rock (16.3 percent) and Tulsa (12.5 percent), all the other communities had less than a 10 percent nonwhite population (Table 4-1, end of chapter). Most of the communities had approximately 5 to 9 percent more females than males, and had a median school year completed of approximately 12th grade. Growth centers such as Tulsa, Russellville, Little Rock and Conway had a median school year completed of 12.5 grades. Sallisaw, Van Buren and Ozark, in rural counties, were 10.4, 10.4 and 9.9, respectively. Except for Pine Bluff, there was little difference in number of persons per household. Family incomes ranged from a high of \$9,870 in Tulsa to a low of \$5,374 in Ozark. Little Rock, North Little Rock, Conway and Fort Smith were in the high \$7,000 to high \$8,000 a year (Table 4-1, end of chapter). The number of persons living below the poverty level was less than 20 percent except in Muskogee and Sallisaw in East Oklahoma, Van Buren in western Arkansas, Morrilton and Pine Bluff (Table 4-1, end of chapter). Summarily, the river valley communities differed in size, in population growth, degree of urbanization, percentage of black residents, and proportion of residents between 16 and 64 years of age.

THE COMMUNITIES

The communities of the Arkansas Valley differ in terms of geographic setting. They range from the delta to the southeast around Pine Bluff which still clung to a remnant of deep south traditional agriculture; to Conway and Russellville struggling for new growth and attempting to reject a cotton economy by replacement with grass, beef and dairying; to the physical deepening and narrowing of the valley in the Ozarks--a terrain which limited agriculture and encouraged dependence on industrial development, oil and gas.

All of the communities had known severe, costly flooding as the river ran its course in and out of its bed. Some had known drought. Records for Pine Bluff, Conway, Russellville, Fort Smith and eastern Oklahoma indicated the loss of thousands of acres and in the southeast the continuous building of new levees as the river pushed further into the land. At drought times, older leaders up and down the river reported walking across from "bank to bank."

All of the communities suffered from an image problem. From the dust bowl and Grapes of Wrath recognition came the attendant "Okie" image for communities like Sallisaw and Muskogee. The vision of the Ozarks became synonymous with the "Hillbilly" and "Bob Burns" types, reflecting on Arkansas as a state and western Arkansas in particular. (Bob Burns lived in Van Buren.) A further image development occurred in 1956 when national and international eyes focused on the problems of school integration in Little Rock. The way others view us affects the way they treat us and the way we treat each other--often it affects the way we perceive ourselves. National acceptance, albeit corporate acceptance, of negative and degrading views of a large segment of the geographical area surrounding the Arkansas River and of the two states did affect rates of growth and created problems of development that each community had to attack or accept. Tulsa and Little Rock were determined to attack the problem.

There were many important similarities that existed among the communities studied; there were many important differences that existed among each. Some of the differences appear to be responsible for the use made of the system and for progress in economic development. Selected aspects of areas of similarity and dissimilarity are discussed below.

SIMILARITIES

Water Leaders

A unique and crucial similarity among all the Arkansas River communities was the development in each of a "water leader." As a critical resource in community growth and development, the control of flooding and the securing of an "adequate" long-term water supply has concerned leadership across the United States. The latter may be easier to assure if water sources are available locally within legal boundaries. Flood control projects creating large sources of surface water are often intercommunity. Both may be interrelated. Recognizing that a water shortage exists is relatively simple if you turn on the faucet and nothing happens. Flooding from a small local stream may be prevented or limited by a variety of engineering and/or planning skills. In both of these cases the problem is visible and there is general agreement between those concerned or affected and technicians on workable solutions.

The case at hand differed. The heart of the problem was an uncontrollable and unpredictable river running through four states. Classifying the river as "young" with considerable movement of sand, the U.S. Army Corps of Engineers had determined that a major project on the river was not feasible¹ as a solution to the social problems the Arkansas River created. The definition used by most social scientists of a social problem has three characteristics:

1. An area of concern affecting large numbers of people,
2. Recognized by large numbers of people,
3. Which people feel can be eliminated.

While the first two criteria were met, the third was not recognized except by a handful of men from Tulsa to Pine Bluff, one in almost every community who felt, as individuals, that something could and must be done. The attitude prevailed regardless of the level of adversary: the Corps, Congressmen, Federal and state agencies, and fellow townsmen. Some began their "lone" advocacy for action in the twenties, some in the thirties, a few in the forties and fifties. In time they drew together, first by state and then interstate. They were men of vision who saw more for eastern Oklahoma and Arkansas than potholes of poverty and economic depression. Some were wealthy; others were not. They were large planters, a wholesale grocer, bankers, lawyers, newspapermen, and businessmen.

Their interest was finding a way to do what everyone said was impossible: controlling the river. Over time they were looked on by residents in their own communities, up and down the river, by congressmen and Federal agencies as "water leaders." Without the support they assembled the system would not have been constructed.

The emergence of these leaders suggests that (1) the fact that each community studied had at least one of these leaders was the result of acute visibility of the problems created by the river all along its unpredictable pathway; (2) if the loss and devastation were unequally divided so that some communities suffered and others did not, a different leadership structure would have evolved with leaders from those areas most affected. From studies of other river development, the leaders linked regional and local economic growth and survival with river control and navigation; (3) the recognition and commitment of some of the leaders to the tenet that river development could alter the course of economic development in Arkansas and eastern Oklahoma effected the utilization of the river system by their communities if, by the time the system was constructed, they had been able to develop in new, young leaders the vision they had to economic vitalization through river development. In a number of communities, water leaders became area/regional in their concerns failing in some cases to develop new leadership to fill the gap they left--particularly in the economic sphere. This did not occur in Pine Bluff, Little Rock, Fort Smith and Tulsa; it may be a function of the smaller size city/town with too many tasks to be distributed to too few leaders.

System Development

A major agent of change in all the communities studied took place during the construction of the system. Construction contracts, recruitment of a labor force, expenditures of money in nearby communities by workers as work progressed were like a "shot in the arm" to local economies. An effect observed by several leaders in each community was that the dollars spent not only altered the level of living for many residents but permitted them to experience what development and increased numbers of discretionary dollars could mean. Some interpreted the sizable Federal investment in the system as an indication of national faith and commitment to economic vitalization of the two states and region. Leaders began to believe that what had happened along the Ohio could occur in Arkansas and Oklahoma.

System development meant more than just dollars spent, it offered opportunities for planning, for leader input, for solving special community problems. Local leaders in Pine Bluff, Little Rock, Conway, Fort Smith and other communities consulted with the Corps of Engineers, their Congressmen, the Highway Department and agencies in Washington to plan bridges over the river. In some cases bridges were old; in others, such as Conway, no bridge existed previously. The construction of locks which could be used for bridges or could later be developed into bridges for less money when future highway construction took place, such as at Fort Smith, offered opportunities

to local governments for future development dreamed of but far from the cost-realities of municipal life. The bridge in Conway opened up the previously isolated area across the river as a potential labor supply source and as a new, quickly felt, marketing area. Previously a ferry with limited unsatisfactory service had been available. A total of 23 highway bridges were completed, 13 in Arkansas and 10 in Oklahoma. Three new highway bridges are planned in Arkansas, none in Oklahoma.²

Contamination of local water supplies by system construction and the possibility of replacement by the Corps developed new insights into municipal systems.³ While a city might have been content with a limited water supply which may have been taxed to the limit during the dry summer months with no extra capacity to accommodate industrial and residential growth, they soon recognized that more capacity was needed for industrial development. When a project damages existing systems, the Corps provides equivalent replacement on a level with contemporary standards. Van Buren has a new water supply system in the planning stages at the time of writing. Mulberry had a Soil Conservation Project for water supply in the planning stage; the Corps jointly assisted that agency in the now completed project. Conway is still "owed" a replacement and it is in the early planning stages.

One of the conditions required of all communities along the waterway was agreement that raw sewage or sewage with primary treatment would no longer be dumped into the river. This is Federal policy along all navigable streams to be implemented in the late seventies. Again, as in the case of water supply sources, new sewage treatment plants offering secondary treatment were constructed replacing those that had been altered by project construction. Russellville received a new plant under equivalent replacement going from primary to secondary treatment and from 1.59 million gallons a day to 8.28 mgd. Ozark received new lines and new pumping equipment; there was change in capacity. Monies for a new outfall line were given to Pine Bluff. That city requested the money rather than the complete project. Pine Bluff does not have secondary treatment. The opportunity to acquire new water and sewage treatment plants without cost or for smaller sums of money permits a level of planning not often possible for small communities. The files of consulting engineers are top heavy with municipal system plans which were designed to meet minimal community needs and which were limited still further in terms of capacity by the exigencies of cost. When a community is able to build-in extra capacity, it permits growth which would otherwise not be possible.

In 1976, a number of communities still had problems with environmental sanitary systems--most particularly sewage treatment. Little Rock, Ozark, Muskogee, the port of Catoosa--all needed further improvements.

DISSIMILARITIES

Port Development

Five river communities have developed public port facilities: Pine Bluff, Little Rock, Fort Smith, Muskogee and Tulsa at Catoosa. Two other communities are seriously considering construction, North Little Rock and Sallisaw; an elaborate port plan has been developed for the former.⁴ The ports of Pine Bluff and Fort Smith have contracted with the Pine Bluff Warehouse Company to operate and assist in port development. The Williams Companies operate the port at Muskogee for the city. Tulsa and Little Rock are operated by an authority-employed port director.

Although a study of possible port sites made for the Ozark Regional Commission identified additional sites along the river, no action has been taken by other communities. Several communities such as Conway, Morrilton, and Russellville have suggested that the cost of port development is prohibitive for the smaller community. Several leaders in Conway and Russellville mentioned that a policy decision had been made against a public port in their communities as a result of a study made previous to the completion of the system by the now defunct Governor's Planning Commission. The study indicated that Ohio River growth had occurred as a result of private port development rather than public. Leaders in both communities expressed the hope that private development would occur as the system becomes more operable.

Thirty-eight private ports are in existence at the time of writing. Multipurpose facilities exist at Dardanelle and Van Buren, Arkansas. The latter is owned by the Farmers Cooperative. A large grain facility has been constructed by Bunge Corporation outside of Pine Bluff and a coal loading port, Port Carl Albert, has been developed by Garland Coal near Keota, Oklahoma. In time, the latter will be developed into a multipurpose facility.⁶ Chapter 5 analyzes the process by which a city becomes a port.

Industrial Development

Industrial development in the river valley, while not as extensive as in other growth areas in the country, has shown some evidence of local faith and absentee corporate interest. Cities such as Tulsa, Fort Smith, and Little Rock showed growth. Furthermore, the three cities had larger percentages of the total industry in the area (see Table 4-2 at the end of the chapter). An analysis of the year in which plants were recruited suggests that six communities had secured at least 2/5 (over 40 percent) of their industry before 1950; in the cases of Muskogee and Morrilton, 57.0 and 61.5 percent, respectively. Conway, Ozark and North Little Rock had attracted from 35 to 48 percent of their industry between 1969 and 1976 (Table 4-2 at the end of the chapter).

Although leaders in a number of communities will state that they are not interested in "large" industry whose withdrawal from a community will devastate the economy, small industries employing a handful of residents cannot carry the financial burdens of the contemporary city. How small is small and how big is big are generally academic questions. Selecting a cut-off point of firms employing 100 plus employees, 7 out of the 13 communities had recruited over 50 percent of their large companies before 1950. During the period 1951-68 when the system was begun with bank stabilization and early construction, some of the smaller communities had increased success, e.g., Dardanelle, Russellville, Sallisaw, Van Buren, and North Little Rock. Fort Smith, Conway and Tulsa had as much growth during this time span as before 1950. Muskogee, Fort Smith, Little Rock, Pine Bluff, Morrilton and Ozark declined. In Conway and Dardanelle/Russellville the percentage of larger size industries increased during this period (see Table 4-2 at the end of the chapter).

From 1969 to 1975, after the completion of large segments of the system, four communities took sizable jumps in new industries: Sallisaw, Conway, Ozark and North Little Rock. During the last few years some communities gained large percentages of absentee-owned company subsidiaries: Sallisaw (100 percent), Fort Smith (41 percent), Conway (57 percent), Ozark (60 percent), and Van Buren (67 percent) (see Table 4-3 at the end of the chapter). Muskogee (8 percent) Tulsa (12 percent) Little Rock (23 percent), North Little Rock (25 percent) and Pine Bluff (23 percent) had not been as successful.

System Effect

Industrial recruitment is a complex of a number of manifestly important and sometimes seemingly unimportant factors such as location, size of community, range of services offered/available, transportation networks, adequacy of schools, location of a college, organizational skill of leaders, receptivity to "outsiders," and energy. With so many factors which might have led to plant placement, it is difficult to siphon out the more complex reasons.

Four developments may be attributable directly to the river project: growth of riverside industrialization, independent riverside industrial plant placement, increased industrialization due to lower freight rates in selected areas, and expansion of existing industry directly due to river development.

Riverside Industrialization

Five communities--Pine Bluff, Little Rock, Fort Smith, Muskogee and Tulsa--have set aside land for an industrial park on the river; each is at the site of the public port. North Little Rock's port plan designates a large industrial park.⁷ All of the communities except Dardanelle and Ozark have accumulated some land for industrial placement. In some, such as Morrilton, Russellville and Sallisaw, the parcels of land are

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small. Leaders in most of the communities stated that they had to purchase land, usually along U.S. Interstate 40, in order to compete for industry. Over a dozen examples were given by interviewees in Little Rock, Russellville, Van Buren and Conway of plants that did not locate in these communities because of the difficulty, time lag required, and increases in costs of acquiring land in private ownership. Land held by an industrial organization, the Chamber of Commerce, or some local businessmen, permits rapid purchase and enables the holder to lower the price of the land in a competitive situation.

In several communities there are industrial authorities, commissions, foundations, corporations, or an industrial team to determine available, advantageous sites and recruit industry (see Table 4-4 at the end of the chapter). In five communities, Tulsa, Conway, Russellville, Van Buren and Muskogee, the industrial organization is either a wing of or a part of the activities of the local Chamber of Commerce. In Fort Smith, North Little Rock, Morrilton, and Sallisaw, all industrial recruitment is accomplished by the Chamber of Commerce.

In a number of communities more than one organization recruits industry. A combination of organizations, enterprises and individuals may be involved. For example, in Tulsa and Little Rock, success is credited to the composite efforts of an industrial foundation (in Little Rock a private corporation which was a spinoff from the Chamber), the Chamber, Port Authorities, bankers and utility companies. In Conway, the only small community to indicate a multiple effort, the Conway Development Corporation, the Chamber, Conway Corporation, and the banks are credited with the community's high level of success.

Bankers are members of all of the industrial recruitment groups. Leaders on different levels in several communities specifically described the importance of key bankers to recruitment success in terms of providing resources or access to resources, financial know-how and the determination of financial status of a prospective industry. Utility companies such as Arkansas Power and Light, ArkLa Gas and Oklahoma Natural Gas Company, etc., were consulted on company energy requirements and, as in the case of APL, had a department set up to assist communities in their pursuit of industry. Until recently the latter offered courses which assisted community leaders to evaluate their pluses and minuses and correct some of their failings.

Leaders in every Arkansas community mentioned the assistance of the Arkansas Industrial Development Commission (AIDC) established by Orval Faubus with Winthrop Rockefeller as its first director. Possessed of a competent staff, industrial prospects are continuously brought to all of the river valley communities. A file is kept on each community describing geography, livability, demographic data, and all available buildings and industrial sites. AIDC is credited with considerable recruitment success and recently opened an office in Brussels, Belgium, to recruit foreign-based companies interested in U.S. investment. The river is an important consideration in this recruitment. However, since the Commission does serve the entire state, communities such as Pine

Bluff, Little Rock, North Little Rock and Conway have developed recruitment programs of their own through their Chambers or Industrial Foundations.

Every other river community studied, with the exception of Sallisaw, Dardanelle and Ozark, had at least one paid professional involved in industrial recruitment in coordination with volunteers representing different community interests who assist with tours, answer technical and other questions and generally attempt to sell the community to the prospect.

Almost every community has some land developed as a private industrial park and six communities--Little Rock, Pine Bluff, Russellville, Van Buren, Muskogee and Tulsa have public parks. Sallisaw has a semi-private park (Table 4-4 at the end of the chapter). Purchasing and assembling land for a park represents an initial commitment to development whether public or private. Occasionally community leaders may establish a small, public industrial park as an overt symbol to concerned citizens that attempts are being made to bring new industry into the community while maintaining a restrictionist or prohibitive attitude toward serious industrial inquiries. It is a "show" and represents a small public cost which has a limited effect on a community's economic elite. The establishment of parks through sizable private capital investment may be more illustrative of leader faith in community growth and willingness to welcome new industry. Little Rock, Tulsa, Pine Bluff, Fort Smith, Muskogee and Conway all have substantial acreage in private industrial parks with some identification of future sites. Little Rock has 11 private industrial parks consisting of over 4,000 acres. Fifteen other areas ranging from 20 to 500 acres each are zoned for industrial use.⁸ Tulsa has 24 dedicated and developed industrial districts consisting of over 9,000 acres. In addition there are 29 industrial sites and 21 potential industrial properties in metropolitan Tulsa.

Independent Riverside Industrial Plant Placement

Small and not so small companies have been attracted to sites along the river. Growth of recreational opportunities has increased the development of marinas and auxiliary firms which provide services to users of boats, fishing equipment, etc. Pine Bluff, Little Rock, and Fort Smith have marinas. Muskogee is attempting to develop a marina. Companies such as Bunge at Pine Bluff (grain operators and shippers), Bekaert Steel in Van Buren, Laddish and Dow Chemical in Russellville, Midcon Fabricators, Inc. and Oklahoma Boiler Company in Tulsa have located close to the river to use the system for shipping of raw goods and because of the area's central location as a distribution center for manufactured products.

Some communities, such as Conway, have not developed ports believing that private industry will eventually come in and build industrial plants utilizing available river sites.

In 1975, there were 5 public and 38 private terminals between Tulsa and the Mississippi River; 36 were in Arkansas, 7 in Oklahoma. All of the public and 10 of the private terminals have rail connections. Of the private terminals, 32 provide specialized services and 6 plan to handle a greater variety of products in the future.⁹

Freight Rates

Several of the early water leaders (Chapter 2) concluded that one of the contributions of the navigation system would be a reduction in railroad freight rates making some portions of the geographical area more competitive with other regions of the United States. Leaders in six communities—Conway, Pine Bluff, Little Rock, Van Buren, Dardanelle, and Tulsa—identified reduction in freight rates as one of the important contributions of the system in terms of an added incentive to industrial recruitment (Table 4-5 at the end of the chapter). The leader respondents in communities who linked the two factors during interviews were usually key banking and business leaders. A number of companies recently recruited to communities along the Arkansas included lower freight rates as one of the incentives for plant placement, such as Dow Chemical Company in Russellville, Arkansas and Standard Industries in Tulsa, Oklahoma.

Expansion of Existing Industry

No systematic attempt was made to determine whether or not any industry already located on the river had expanded as a direct result of river development. Nevertheless several examples were outstanding. The Farmer's Cooperative in Van Buren developed a port facility increasing and facilitating the movement of agricultural products. A further expansion will permit the shipping to this private port of half the steel utilized by the new Bekaert Wire plant in Van Buren.

A second example is Ward Industries of Conway, Arkansas. A manufacturer of school buses since the thirties, the founder was frequently asked why a company, dependent on a constant supply of steel, had been established in Conway. State, area and community ties were the reason. For over 30 years Ward shipped steel into Memphis and trucked it across country to Conway. Students familiar with the history of southern roads recognize the level of highway inadequacy which existed in the thirties and forties. Ward commented that trucks carrying steel often broke down or were bogged down in mud. With the opening of the system he began to ship steel into Little Rock. In fact, he was on the tow that pulled his first steel shipment into the Little Rock port. He stated that it was the biggest thrill of his life. His hair almost stood on end when he blew the tow whistle.

Ward indicated that from that point in time his company was able to expand tremendously. Major contracts to Saudi Arabia and a new foreign contract negotiated in 1977 has substantially pushed the company into the international marketplace. Several subsidiary companies to Ward Industries have been established in Conway during the past several years.

Type of Industrial Recruitment

In a geographical area where industrial development has been limited and family income low, decisions and/or policies on "what kind of industry a community wishes to attract" may be academic. Furthermore, raising the question may bring forth a plethora of conditioned responses related to environmental concerns. Nevertheless the question was posed. Threads of similarity of response and some subtle disagreements were reflected in community leader comments. Since effluent flowing into the river will eventually be required to have secondary treatment and new sources of possible contamination must be approved by the U.S. Army Corps of Engineers/EPA, substantial limits are legally placed. There are, however, some uncontrolled areas that are subject to local policy making. Leaders in Tulsa, Sallisaw, Little Rock, Conway and Dardanelle expressed the most concern and several gave examples of plants that had been turned away. A company that would have placed a small amount of salt in the river was turned down in Little Rock. Several leaders stated that while the amount of salt appeared negligible, and they wished to introduce no pollutant of any kind.¹⁰ Most recalled when the river was considered a cesspool and were delighted and highly supportive of the changes. Three or four had turned down paper mills and were critical, if not harshly so, of Pine Bluff and Morrilton for recruiting paper plants. As older industrial cities with executive and blue collar workers to be kept employed, Pine Bluff and Muskogee leaders along with those small, industry-hungry towns such as Ozark, mentioned environmental concerns much less frequently (Table 4-6 at the end of the chapter). Leaders in Russellville, Van Buren, Muskogee, Ozark, Sallisaw, Dardanelle and Fort Smith stated specifically their desire to recruit industry which is self supporting (Table 4-6 at the end of the chapter).

All of the cities expressed an interest in companies that were good local "citizens." The latter were defined as companies who: (1) did not expect the community to make major economic sacrifices in terms of tax reductions or other costly concessions as a stimulus to attraction, and (2) support local organizations and programs. Almost every community had recruited in years past, companies who were adamant about tax reductions, paid low wages, often had plant closures for short periods of time and whose executive staff did not participate in the day-to-day life of the community. "Poor corporate citizens!" They did not participate in United Fund drives, the work of the Chamber of Commerce, attempts to develop the community or improve it. They were outsiders and chose to remain on the outside. The tremendous difference was apparent when subsidiaries of the top 500 U.S. corporations were placed in some of the cities. Strong support for education, for fund drives, for community betterment on the part of companies such as Whirlpool, General Electric, and International Paper, makes the "parasite" and noncontributor stand out like a sore thumb.

Most of the Arkansas communities had leaders who commented on a problem Russellville had experienced after the recruitment of a food processing plant. The plant used a tremendous amount of water, taxing the sewage disposal plant to the point that a new disposal plant for the industry had to be constructed. Word of the costly utilization of community

resources spread from community to community provoking a more careful scrutiny and evaluation of the needs of industrial prospects. There was considerable evidence that leaders in most of the communities were learning from each other.

Transportation

The old adage: "Make a better mousetrap and the world will beat a path to your door," may work effectively in product marketing, but not unequivocally in terms of community development and the recruitment of economic enterprise. Location and the ability to move people and goods to other areas is an important ingredient. The construction of Interstate 40 through Arkansas following the river from Little Rock to Muskogee opened up numbers of communities to faster trucking services, mobility from place to place, and exploration by travelers from other parts of the country. Before the construction, some of the communities such as Pine Bluff, Little Rock, North Little Rock, Conway, Russellville, Fort Smith, Muskogee, and Tulsa had U.S. and state highways that did offer some network relationship with the outside world (see Table 4-7 at the end of the chapter for comparison of transportation network).

Highways

The previously existing roads combined with the new interstate offered a better balance of highway transportation. Communities such as Pine Bluff lacked an interstate, and Morrilton and Sallisaw did not possess major roads; they were, in a sense, isolated. A number of Pine Bluff leaders complained bitterly about the fact that no major highway had been constructed linking Pine Bluff to Little Rock, the state capital. A four lane highway was under construction in 1976, scheduled for completion in 1977. Several leaders stated that the failure to provide the highway years before was the way political leaders prevented Pine Bluff from developing. One leader told the researchers it was a measure of the limited political power base the city had had in the state capital. When queried about the latter conclusion, state highway officials stated that previously there was not enough traffic to warrant construction. When questioned concerning why some of the communities along the river were developing and others were not, highway officials stated that roads were a determining factor. "Conway has always been a little hub because two highways converge there. Russellville has a strong north-south road. Moving goods in and out depends on the possession of major arteries."

There was general consensus by leaders in all the communities studied that the interstate had been a tremendous asset in attracting industry and commerce which used trucking and distributed to areas connected by the highway system. Furthermore, and most important, it placed communities such as Conway and Morrilton a short ride from a metropolitan airport. When the highway to Pine Bluff is completed, it will offer the same airport convenience to that city.

Air Service

Airport limitations have offered serious developmental handicaps for most of the smaller communities and several of the larger cities. In terms of air service, there appear to be six levels of development: (1) full direct and multiple connective service, (2) limited direct and numerous connective service, (3) connective service, (4) airstrip accommodating corporate jets, (5) airstrip accommodating small private craft, and (6) no airstrip. In addition, 3 to 5 may be further differentiated in terms of type of runway, lighted or unlighted, flying restrictions, etc.

Tulsa provides the only direct service to many major U.S. cities. Little Rock, in the process of expanding, provides some direct flights and numerous connecting services. Flights out of Fort Smith are primarily connective. Pine Bluff has had difficulty keeping a commercial line available to provide connective flight service. Limited service to Muskogee is provided by a small airline. Other communities such as Ozark, Morrilton, Russellville, Sallisaw, since attempting to recruit industry, have been struggling to develop airstrips suitable for corporate jets.¹¹ During recruiting efforts, industry representatives have indicated the importance of air service and of being able to fly to a community. Ward Industries has a corporate jet which is kept in Little Rock; it cannot be flown into Conway, the industry's corporate headquarters. Efforts are being made to find new, expanded locations for the airstrips in Conway and Russellville.

Executives of subsidiaries of large corporations are critical of the river communities' transportation problems. A plant manager in Fort Smith loses two working days when he flies to his corporate offices in New York. He must take a flight to either Tulsa or Dallas and then a flight to New York. Limited numbers of connections usually result in lost workday hours required for travel going and coming rather than the convenience of evening or very early morning flights which do not cut into the workday.

Development of airstrips requires commitment of additional community resources--even with the possibility of matching funds. Several leaders mentioned it was difficult for the "average citizen" to understand the importance of funding airstrips or airstrip improvement. This is particularly true if there are needs in areas more readily visible such as water treatment, sewage expansion, highway or street improvements.

Railroads

The third area of transportation importance is railroad connections. All of the major cities have access to rail service. For decades, Pine Bluff has been known as a rail center with two major lines; Muskogee has four lines and Little Rock/North Little Rock, Fort Smith/Van Buren and Tulsa each have three lines (see Table 4-7 at the end of the chapter).

Multimodal Aspects

Possessing capacity in the three major forms of transportation in terms of expansion and possible development of the navigation system is significant. For example, to operate a port facility effectively, the port must be considered as part of the overall transportation system linked to trucking, railroads, and domestic and foreign markets.¹² It cannot operate solely as a port to load and unload goods without thought being given to the use of other connective transportation modes. All of the port cities, with the exception of Dardanelle, have two to four rail lines and, with the exception of Pine Bluff and Dardanelle, have 18 or more truck lines. Little Rock, Fort Smith, Tulsa, and Muskogee appear to be more multimodal than the other communities. Muskogee's limitation is airport services; however, proximity permits use of Tulsa's facilities. Pine Bluff lacks an interstate, has one less railroad line, and has had limited air service. A connecting four-lane highway linking Pine Bluff with Little Rock will facilitate air travel for Pine Bluff residents.

Amenities

In a mobile society, individuals, groups, and corporations big and small, may decide the type/kind of community where they would like to live or locate. Above and beyond the basics of being able to earn a living, have a steady job and other factors of selectivity may be important. If Bob Jones has a choice between job A and job B--both having seemingly equal employment opportunities and salary and located in two different communities--does he then begin to consider location, recreation opportunities, schools for his children, or cultural opportunities as important considerations? Corporation W is in the process of selecting a new plant site. Consideration has narrowed down to three geographical areas encompassing 150 possible communities in which labor supply, access to raw goods, distribution of finished product, and all other economic considerations are comparatively equal. Does the company then begin to consider community differences in terms of maintaining the contentment factor of worker families? When choice is possible, social factors may favor a particular choice or may serve to exclude or include a site for further consideration. Leaders in most of the communities studied made reference to community advantages and deficiencies in a number of areas such as education, leisure activities, services, and what they referred to as "liveability." One additional dimension to be considered is attitude of the community toward newcomers.

Attitude Toward Newcomers

Historically, the outsider or the newcomer has been viewed with suspicion and disdain. He has been ignored and discriminated against. In some sections of the United States individuals whose families came to their community after 1800 are still considered "newcomers." Counter to this is the fact that a rapidly developing growth-oriented society is constantly on the move--new plants are constructed wherever there is a

service area, executive staff come and go as they move up and down the administrative structure. The ability of a community to accept the newcomer not only as a purchaser of goods but as a friend and neighbor is important to the stability of worker families and the conduct of daily business. For the executive staff, entree to business and professional clubs, to local clubs and to participation in the work of charitable organizations is important. Failure to permit participation is tantamount to exclusion. In a society which places great importance on participation, on joining, and on membership in organizations, the latter can result in conflict and certainly in stress and strain in relationships.

In all of the communities studied, with the possible exception of Muskogee, a high level of openness toward and inclusion of newcomers was easily observable. This was particularly true in Conway and Russellville. Country clubs in all the smaller communities were open to newcomers at moderate membership fees. One interviewee observed:

When I came to the community 13 years ago, this was a closed society. It isn't like that anymore. Part of this is because the community is more cosmopolitan because of the many new people, particularly Bechtel who is building the power plant. They move their executives in and out. These people get in and join the country club. They can afford to crash society and they have been welcomed.

One Chamber of Commerce executive stated that over half of his board consisted of newcomers who bring in "new ideas."

General comments were made about changes in attitudes toward newcomers. A young financial adviser in Little Rock remarked that when he was young the class structure was very rigid. Young people who were occupationally mobile or newcomers couldn't break into society. Today, he said, all that is pretty much changed.

A banker in a small community mentioned that many newcomers have opened up new life experiences for local people, e.g., a community education course in gourmet cooking conducted by a well-traveled scientist who was a recent arrival in the community.

Muskogee appeared to be a mixed-bag with division concerning inclusions-exclusions of newcomers. While leaders in every community indicated that there were a few residents who preferred that the town remain unchanged, they identified them as a small, almost obscure minority. This was not true in Muskogee where a few important leaders were identified as having resisted change. These views may manifest themselves in exclusion patterns affecting newcomers disproportionately.

Education

Not having a college, an institution of higher learning was considered a serious handicap to development by leaders in every community and by specialists in industrial development divisions in the respective state capitals. Staff of the Arkansas Industrial Development Commission indicated that industry appears to be more interested in a community with a college where staff can receive further training or where laboratory facilities are available than in those communities that lack these opportunities. Certainly the presence of a college where a percentage of faculty change annually, prepares a community for newcomers and perhaps develops patterns of acceptance or nonacceptance.

Leadership in Pine Bluff is increasingly more supportive of the previously black state college. Little Rock has supported the tremendous growth in its branch of the University of Arkansas. Several interviewees commented that the UA president has a local office and they expect the branch will grow so large that Little Rock will become the center for UA. "There will be nothing left in Fayetteville except an empty football stadium!" said one enthusiastic leader.

Several leaders reported that the state had lost several top industries because of faculty limitations at the University of Arkansas. When efforts have been made to secure funding for top academicians and scientists, they have been told they will be available when the industry locates; the industry, on the other hand, will not locate without the basic research scientists.

In Conway, with two colleges, and Russellville with one, a reciprocal relationship has developed between new industry and the colleges for training and support. Several respondents in other communities have suggested that Morrilton has two major handicaps--no major roads going north/south and no college.

Muskogee has felt the lack of a college and has supported a small Indian school. Close proximity to Tulsa does permit university work in that city.

Leisure Activities

With heterogeneity of population, increased family economic levels, and immigration of new residents, there are more pressures to identify resources for the development of leisure activities. Leaders in community after community boasted about the outdoor recreational facilities, lakes and many riverside parks that had been added to their community's assets. Conway has five new parks, Morrilton has two new riverside parks, and Pine Bluff has a large park adjacent to its port development. Russellville, encouraged by the heavy use of the Corps recreational facilities, is adding an additional park. In several of the small towns, midweek and weekend use of river parks is made by college students for sunbathing and boating on warm fall and spring afternoons. Respondents repeatedly commented on their own surprise at the heavy use of recreational facilities.

A major factor in use appears to be the excellent fishing the river provides. Dozens of people stated the river provided the "best bass fishing in the U.S." Although several environmentalists indicated that fish did live in the river prior to development, oldtime residents suggest that the bass are preferable to the species of fish that survived in the river when it was considered one of the dirtiest in the country.

The river, during high water or rapid flow periods, is hazardous and caution is required when recreating on water above a dam. We were told repeatedly, in community after community, that the river is a "pussycat" today compared to decades past. Stories were told of the constant movement of the river from one location to another, loss of land and inability to plan recreational facilities along the river--one month the river bed was so dry you could walk across it, and the next a raging torrent.

Marinas and yacht clubs have sprung up along the river in Arkansas. There have been unsuccessful attempts to plan marinas in Sallisaw and Muskogee. Most of the heavy boating is in Arkansas. Several observers commented that friends who brought boats for river trips and fishing are also deriving pleasure using their boats moored in a marina as a weekend retreat. Owners of other boats visit and enjoy being together on the river. This aspect of social life in terms of its growth, development and satisfaction output would make an interesting study. Boats are also used for specific types of outings. Each year more and more University of Arkansas fans sail to Little Rock for games, stay on their boat, party, and then sail home.

A more commercial venture is an overnight mini-cruise liner, the Arkansas Explorer, that offers vacation trips from Little Rock for 200 miles on the Arkansas River. The excursion is widely advertised in magazines such as Southern Living and The Yankee.

Cultural Opportunities

Cultural "advantages" in terms of art and music are generally confined to the cities of Little Rock and Tulsa with expanding programs in Fort Smith, Pine Bluff and Muskogee. Three important resources: facilities, monies, and leadership are crucial.

A banker in Little Rock commented that Arkansas had been considered the cultural desert of the South by many outsiders. With Mrs. Winthrop Rockefeller as a driving force, the Arkansas Arts Center was conceived providing five galleries, a library, and a theatre. From October through May the Arkansas Symphony Orchestra performs at the Convention Center.

Fort Smith has a small art center in a residence built in 1855. A civic center provides space for touring group performances. With increasing costs, the center seats too few to place ticket prices for performances in the range of all citizens.

Pine Bluff has recently constructed a civic center and convention hall on land that previously flooded. The center, designed by Edward Durell Stone, houses the city hall, municipal offices, library and the Southeastern Arkansas Arts and Science Center consisting of two art galleries, a theatre, and a research library. Both Russellville and Conway utilize the auditorium facilities at the local colleges for touring artists' concerts. Muskogee has a museum of the Five Civilized Tribes and a convention center. In addition, each fall an Indian Festival and art show take place. Tulsa has developed more cultural opportunities than the other river cities. There are two art museums and the Theatre Tulsa where plays, summer musicals and youth plays are produced.

The Williams Companies have made a major investment in the central business district, a project which should have increasing importance as the years go by. A site was acquired at the northern end of the district for a complex to include a headquarters building for the Company and the Bank of Oklahoma. A Center for the Performing Arts, financed both publicly and privately, soon will be completed and work will start on a hotel. Plans call also for development of retail facilities, which have not done well in the area in the past few years. The project already has led to improvement of office buildings on an adjacent street. This sizeable investment in the central business district ties in with city plans to spur growth of the metropolis to the north rather than to the southeast, and to develop a riverfront park at the southwest edge of the business district, which should bring additional trade to the downtown area.

Liveability

From Pine Bluff to Tulsa, leaders, business people, and professionals used one particular term to describe what they felt was a major asset of their communities in terms of holding residents and attracting industries: liveability. One central concern expressed by community representatives from Sallisaw to Pine Bluff was that of the loss of young people which they felt had become patterned since the thirties. Many campaigns for industrial development stemmed from this concern. It was believed that young people liked the area, would have stayed if there had been employment opportunities and would have come back if they were assured of jobs. The reason--liveability of the area.

An interesting aspect of the term liveability is that it was defined a little differently when used by Tulsa leaders than by leaders in Fort Smith or in Russellville and Conway. For all, it meant a simpler, less complex living style than that found in the metropolitan centers of the northeast as reflected in: (1) ease of transportation, (2) lower taxes, (3) a more receptive labor supply eager for work and willing to work as a team with management, (4) heightened opportunities for home ownership and more extensive land ownership than in a large city, (5) greater gemeinschaftlichkeit in which there is more "neighboring," more primary face-to-face relationships, where more people call each other by their first names--"people care about one another," (6) community is more open and receptive to people from other communities and to newcomers; organizations are open--there are not sharply differentiated patterns of exclusion--inclusion, and (7) the belief that all of the above make it easier to raise children.

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SOCIAL IMPACTS OF MCCLELLAN-KERR NAVIGATION SYSTEM: A STUDY OF --ETC(U)

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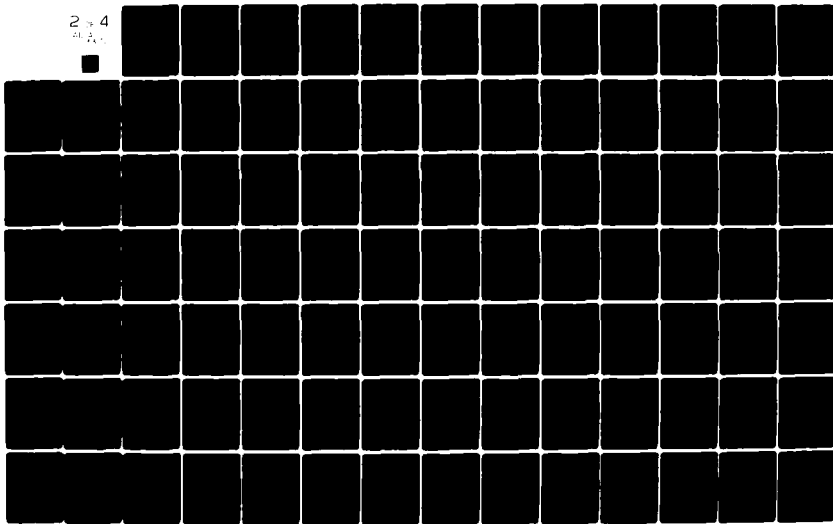
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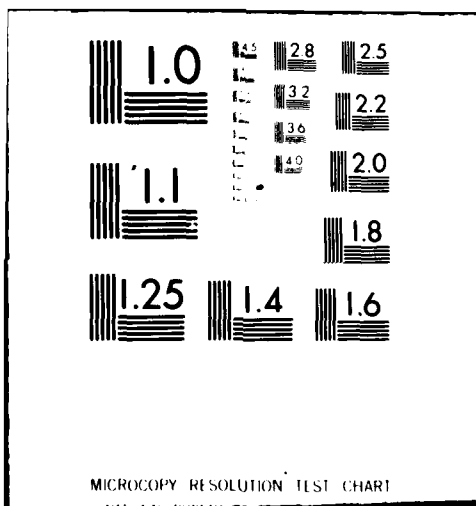
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A leader in Conway active in industrial recruitment described a prospect's visit in terms of some of the above:

After showing him industrial sites and reviewing other services the town has to offer, answering additional questions, we say, "How about a little fishing before dinner?" In ten minutes he is provided with jacket and equipment and we are fishing on the Arkansas River. He flew from Minneapolis in the middle of a blizzard. Our late afternoon is beautiful, not too hot and not too cool. We were at business one minute and playing ten minutes later. That evening there are three hundred people at the Country Club making a big fuss over him. The governor drops by or calls him. At home he may never have seen the governor let alone been on a first name basis with him.

Liveability differs from the larger cities to the smaller towns in terms of the types of activities readily accessible. In Tulsa and Little Rock, leaders illustrate the ease of reaching organized forms of recreation such as the golf course, tennis court, and yacht/boating or country club in 20 or 30 minutes, compared to one to two hours in other metropolitan centers. Tulsa has planned well to keep organized facilities available. If the corporate executive wishes to play golf at 4 p.m. in heavily populated older cities, he may have to leave the office after lunch. In Tulsa, he may leave at 3:30 permitting 2½ more hours of company work.

In the smaller community, leaders speak of the ease of leaving the office to hunt, fish, swim, or boat on the river, streams and lakes. Fort Smith attributed its ability to attract and hold a large medical community, more than doubled in size since 1950, to the liveability of the area in these terms (Table 4-8 at the end of the chapter).

Physicians as an Index of Liveability

Since the thirties, a major problem in the United States has been the inequality of the system of medical service distribution resulting in the clustering of physicians in large cities.¹⁴ In the thirties and forties and again with recently enacted Federal legislation in 1976, programs were developed to lure medical school students into practice in rural areas by offering a year of free education for every year of practice in a rural area. This approach failed in the earlier period and there is little optimism on the part of specialists that it will succeed in the next several years. Studies had indicated that physicians chose urban practice vs small town because of access to sophisticated medical facilities, other specialists and practitioners, and because families wished the amenities--cultural, social, educational, and specialty shopping services--available in a large city.¹⁵ The fact that securing physician services still is increasingly a problem facing U.S. communities of the size of most of those studied along the Arkansas River makes more significant the changes that have occurred in some and have not occurred in others.

Table 4-8 (at the end of the chapter) shows the number of doctors in each community and percentage change for selected years between 1950-1973 and 1969-1975. Six of the 13 communities had more than an 80 percent increase between 1950 and 1973--Fort Smith, Dardanelle, Russellville, Little Rock, Tulsa and Conway. Little Rock, Pine Bluff and Muskogee had increases of 68.6, 43.2 and 8.4 percent, respectively. Sallisaw had no increase and Van Buren, Morrilton and Ozark declined in number of physicians, -14.2, -46.2, -60.0, respectively.

Utilizing doctor attraction to a community in terms of those factors which supposedly affect physician recruitment, the listing of communities in terms of overall attractiveness would be: Dardanelle, Fort Smith, Little Rock, Russellville, Tulsa, Conway, North Little Rock, Pine Bluff, Muskogee, Sallisaw, Van Buren, Morrilton and Ozark (Table 4-8 at the end of the chapter). It is almost impossible to separate Dardanelle from Russellville: geographically side by side and jointly affected by the nuclear power plant construction, lake construction, job opportunities for Dardanelle residents in Russellville, and Dardanelle port facilities viewed as servicing Russellville. The same is true of North Little Rock and its relationship to Little Rock. Although attempting to build a separate city image, North Little Rock has increasingly developed as a "bedroom" for Little Rock residents. New residential areas in the larger community were located so far from the downtown area that it is closer to live in many sections of North Little Rock. Van Buren is directly adjacent to Fort Smith and, although it strives for separate identity, it is part of the overall growth area of the latter city.

The importance of the combination of "liveability" and belief in future opportunities for community economic development should not be underestimated to a profession that attempts to study carefully the site selected for establishment of a practice. Equipping an office for the type of technology necessary for today's practice level requires a large financial investment. A mistake could be financially disastrous.

A physician, responsible for much of the medical growth in Russellville, reconstructed his personal decision: He came to the community 21 years ago. He was a country boy raised in the community. When he left it was to be a permanent move. After training and completing specialty boards, he looked for a town with a future. Russellville, centrally located in an area where the Federal government had invested tremendous sums of money in the development of river navigation should, he felt, be a boom area. He took the chance and came back.

He established a clinic group practice which attracted other physicians to the community. From a town with 15 doctors, the number increased to 35. Thirteen are in family practice: 6 are members of the family practice board and 2 others have almost completed their boards. There are 2 board certified surgeons, 2 board orthopedic surgeons, 2 board internists, and 4 ophthalmologists of whom 2 are board members. An ear-nose-throat board man arrived in 1976. There are two gynecologist/obstetricians: one board member and the other is eligible for board membership. There is a board pediatrician, 2 board psychiatrists, one neurologist, radiologist, pathologist and dermatologist board members and an anesthesiologist. Quite an array for a community the size of Russellville. Leaders credit these changes to liveability and the opportunity for economic development.

A comparison of the percentage change in the number of physicians by community since the navigation system has been constructed, 1969-1973, suggests that there has been a remarkable growth in eight communities. Five communities either showed little or no growth or declined in number: Sallisaw and Muskogee in Oklahoma and Ozark, Morrilton and Pine Bluff in Arkansas. Although the 1979 directory is not yet available, American Medical Association figures were obtainable for Tulsa and Little Rock for 1975. Data for the other communities were compiled from local sources and may be assumed to be less accurate than AMA statistics. Using 1975 figures, Tulsa and Little Rock showed continued growth, while Sallisaw, Russellville, and Conway showed substantial growth. Muskogee took a considerable growth in the two-year period from 1973 to 1975. Only Ozark declined and Morrilton and Pine Bluff had only limited change.

Ozark is a small community with few cultural activities. Morrilton is limited in terms of highways, community development to foster industry, and resources. Muskogee, with excellent highway access, leadership with resources and power, exhibited conflict of leader commitment to growth. Some of the recent change in the number of physicians in Muskogee may be due to new efforts at development.

Pine Bluff had only a slight gain in physicians but did experience a larger gain between 1950 to 1973. A dynamic group of leaders with outstanding professional assistance has moved to develop port and industrial opportunities. Efforts are being made to alter the physical appearance of the community and to provide cultural centers and opportunities (see Table 4-8 at the end of the chapter).

With the considerable literature stating the importance of community assets to physician location referred to above, the recent growth or lack of growth may be a significant measure of the strengths and liabilities of the river valley communities to take advantage of the navigation system.

Resource Accessibility

A major difference between the river communities was in the number of leaders willing to commit resources, their own or that of organizations, to development. Those communities that have made strides in development possess at least one common ingredient: accessibility of resources. In Pine Bluff the two major banks have provided both leadership and money for port development and industrial recruitment. Leaders in Little Rock spearheaded the drive for bond passage for the port and riverside industrial park development. Key Conway bankers and businessmen organized to buy industrial land and actively recruit industry. Although Russellville lost a key visionary leader for economic development and a banker whose death has been severely felt, leaders have purchased industrial land and through the efforts of the Chamber of Commerce, are holding "brainstorming" sessions on community growth and development.

Ozark, small in size, has been attempting, since the completion of the navigation system and the purchase of the bank by an innovative outsider to remove "small town" obstacles to industrial recruitment. A small group of citizens has formed an industrial recruitment committee. By determining why industries who "looked" did not "come," they have expanded water plant facilities, the airport, have established a semi-public country club, and made studies of the labor force among other things. It has been a long, painful process to secure enough money to acquire matching funds for projects and other improvements, and is indicative of the importance of being able to tap sizeable resources. Ozark citizens have been united and unlike Muskogee, where bond issues have frequently been defeated, one Ozark leader commented, "Everything started happening when the river was developed. Our people voted 3 mills for industrial development, as well as millage for other needs."

In Sallisaw, also a small community where volunteers handle industrial development as in Ozark, it is reported that some leaders don't want growth, and they don't want to compete. The leaders aren't working hard, and they are not investing in change.

In Fort Smith where efforts have been the work of an aggressive Chamber of Commerce executive who has had the support of key banking leadership willing to underwrite costs of programs to spur development, and in Van Buren where several leaders in the Chamber and the Farmers' Coop have invested in industrial land and a private port, the results of the accessibility to resources is observable.

Tulsa has invested large sums of money in port and industrial park development as well as cultural development.

The difference between the community with resources which are made available and those without cannot be overstated. Conway, with a water system that pours profits into projects of a community-wide benefit has secured many advantages. Needs of prospective and existing industries, the colleges, and for city improvements have been met without concern for the limited millage granted by the state. Investment has resulted in economic growth.

Table 4-1
Selected Population and Socioeconomic Characteristics for Oklahoma/Arkansas River Valley Communities¹

	Characteristics										
	Total 1970 Population	% Change from 1960	% of County Rural Urban	% Black and Other Races	Age, Percent		Sex, Percent Male Female	No. of Persons Per Household	Median School Year Completed	Median Family Income	Percent Persons in Poverty
					-18 18-64 65+						
OKLAHOMA											
Tulsa	331,638	26.7	6.2 93.8	12.5	33.5 57.5 9.0		47.6 53.4	2.90	12.5	\$9,870	11.8
Sallisaw	4,888	45.9	79.1 20.9	6.1	31.3 51.3 17.4		47.2 52.8	2.81	10.4	6,451	25.4
Muskogee	37,331	-1.9	37.3 62.7	24.0	30.9 52.5 16.6		45.8 54.2	2.72	12.0	6,970	23.4
ARKANSAS											
Fort Smith	62,802	18.5	17.9 82.1	7.6	33.3 55.6 11.1		45.2 54.8	2.90	12.1	7,975	16.3
Van Buren	8,373	23.9		4.6	33.3 51.8 14.8		45.8 54.2	2.93	10.4	6,215	26.0
Ozark	2,592	31.9	76.8* 23.2*	1.8*	-- -- --		49.8 ² 50.2 ²	--	9.9 ²	5,374	--
Morrilton	6,810	13.6	49.5 40.5	9.6	33.9 52.1 14.0		44.7 55.3	2.89	11.1	6,734	24.5
Gardendale											
Russellville	11,750	31.7	58.9 41.1	4.5	27.5 61.3 11.2		48.1 51.9	2.82	12.4	6,978	19.7
Conway	15,510	58.4	50.9 49.1	8.0	27.0 63.3 9.8		45.2 54.8	2.80	12.4	8,135	13.9
Little Rock	132,483	22.9	15.6 84.4	25.2	32.1 56.8 11.1		44.1 55.9	2.85	12.4	8,786	18.1
N. Little Rock	60,040	3.5		16.3	33.0 57.3 9.7		47.0 53.0	2.97	12.1	8,472	19.1
Pine Bluff	57,389	30.5	28.6 71.4	41.2	35.3 53.9 18.8		45.1 54.9	3.08	11.9	7,406	26.8

¹ 1970 Census of Population Vol. 1 Characteristics of Population, Part 5: Arkansas; Part 38: Oklahoma (Washington, D.C.: U.S. Dept. of Commerce, 1970).

² County rather than municipal data utilized

TABLE 4-2

Number and Percent of all Industrial Placements in Arkansas River Valley Communities by Year Established and with 100 or More Employees*

	Year Established						Total	
	Before 1950		1951-1968		1969-1976			
	No.	%	No.	%	No.	%	No.	%
OKLAHOMA								
Tulsa								
Industry with 100+ Employees	55	60.4	29	31.9	7	7.7	91	100.0
Total Industries	306	41.9	332	45.6	92	12.6	730	100.0 (50.2)
Percent of 100+ Employees	-	18.0	-	8.7	-	7.6	-	12.4
Sallisaw								
Industry with 100+ Employees	0	0.0	0	0.0	1	100.0	1	100.0
Total Industries	3	25.0	4	33.3	5	41.7	12	100.0 (.8)
Percent of 100+ Employees	-	0.0	-	0.0	-	20.0	-	8.3
Muskogee								
Industry with 100+ Employees	9	69.2	3	23.1	1	7.7	13	100.0
Total Industries	37	57.0	19	29.2	9	13.8	65	100.0 (4.46)
Percent of 100+ Employees	-	24.3	-	15.8	-	11.1	-	20.0
SUBTOTAL:							801	55.1
ARKANSAS								
Fort Smith								
Industry with 100+ Employees	24	49.0	20	40.8	5	10.2	49	100.0
Total Industries	73	38.6	69	36.5	47	24.9	189	100.0 (13.00)
Percent of 100+ Employees	-	32.8	-	29.0	-	10.6	-	26.0

*Source: Oklahoma Industrial Development Dept., Oklahoma Director of Manufacturers and Products (Oklahoma City, Okla.: State of Oklahoma, 1976) and Arkansas Industrial Development Foundation, Directory of Arkansas Manufacturers (Little Rock, Ark: 1976).

TABLE 4-2 (con't)

	Year Established						Total	
	Before 1950		1951-1968		1969-1976			
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
ARKANSAS								
Van Buren								
Industry with 100+ Employees	2	40.0	2	40.0	1	20.0	5	100.0
Total Industries	4	19.0	11	52.4	6	28.6	21	100.0 (1.4)
Percent of 100+ Employees	-	50.0	-	18.2	-	16.6	-	23.8
Ozark								
Industry with 100+ Employees	1	100.0	0	0.0	0	0.0	1	100.0
Total Industries	3	42.9	1	14.3	3	42.8	7	100.0 (.48)
Percent of 100+ Employees	-	33.3	-	0.0	-	0.0	-	14.2
Morrilton								
Industry with 100+ Employees	2	40.0	2	40.0	1	20.0	5	100.0
Total Industries	8	61.5	4	30.8	1	7.6	13	100.0 (.89)
Percent of 100+ Employees	-	25.0	-	50.0	-	100.0	-	38.4
Dardanelle								
Industry with 100+ Employees	-	0.0	1	100.0	0	0.0	1	100.0
Total Industries	2	33.3	4	66.7	0	0.0	6	100.0 (.4)
Percent of 100+ Employees	-	0.0	-	25.0	0	0.0	-	16.6
Russellville								
Industry with 100+ Employees	1	10.0	6	60.0	3	30.0	10	100.0
Total Industries	7	25.9	13	48.2	7	25.9	27	100.0 (1.85)
Percent of 100+ Employees	-	14.2	-	46.2	-	42.8	-	37.0

TABLE 4-2 (con't)

	Year Established						Total	
	Before 1950		1951-1968		1969-1976			
	No.	%	No.	%	No.	%	No.	%
ARKANSAS								
Conway								
Industry with 100+ Employees	2	22.2	4	44.4	3	33.3	0	100.0
Total Industries	10	25.6	10	25.6	19	48.7	39	100.0 (2.68)
Percent of 100+ Employees	-	20.0	0	40.0	-	15.8	-	23.1
Little Rock								
Industry with 100+ Employees	32	61.5	17	32.7	3	5.8	52	100.0
Total Industries	91	44.8	70	34.5	42	20.7	203	100.0 (13.9)
Percent of 100+ Employees	-	35.2	-	24.2	-	7.2	-	25.6
North Little Rock								
Industry with 100+ Employees	4	50.0	3	37.5	1	12.5	8	100.0
Total Industries	23	28.0	30	36.5	29	35.4	82	100.0 (5.6)
Percent of 100+ Employees	-	17.4	-	10.0	-	3.4	-	9.8
Pine Bluff								
Industry with 100+ Employees	11	50.0	7	31.8	4	18.2	22	100.0
Total Industries	31	46.3	24	35.8	12	17.9	67	100.0 (4.6)
Percent of 100+ Employees	-	35.4	-	29.2	-	33.3	-	32.8
SUBTOTAL:							654	44.9
GRAND TOTAL: 1455								

TABLE 4-3

Number and Percent of Subsidiaries of Extralocal Companies* in
Arkansas River Valley Communities by Time Period of Placement

Community	Before 1969		After 1969		Total	
	No.	%	No.	%	No.	%
OKLAHOMA						
Tulsa	106	87.6	15	12.4	121	100.0
Sallisaw	0	0.0	2	100.0	2	100.0
Muskogee	11	91.7	1	8.3	12	100.0
Subtotal:	117	66.7	18	33.3	135	100.0
ARKANSAS						
Fort Smith	32	59.3	22	40.7	54	100.0
Van Buren	2	33.3	4	66.7	6	100.0
Ozark	2	40.0	3	60.0	5	100.0
Morrilton	4	100.0	0	0.0	4	100.0
Dardanelle	2	100.0	0	0.0	2	100.0
Russellville	9	69.2	4	30.8	13	100.0
Conway	6	42.8	8	57.1	14	100.0
Little Rock	43	76.8	13	23.2	56	100.0
N. Little Rock	12	75.0	4	25.0	16	100.0
Pine Bluff	20	76.9	6	23.1	26	100.0
Subtotal:	132	67.4	64	32.6	196	100.0
TOTAL	249	75.2	82	24.8	331	100.0

*Source: Oklahoma Industrial Development Dept., Oklahoma Directory of Manufacturers and Products (Oklahoma City, Okla.: State of Oklahoma, 1976), and Arkansas Industrial Development Foundation, Directory of Arkansas Manufacturers (Little Rock, Ark.: 1976).

Table 4-4

ORGANIZATION OF INDUSTRIAL DEVELOPMENT IN ARKANSAS RIVER VALLEY COMMUNITIES, FALL 1976¹

ORGANIZATION OF INDUSTRIAL DEVELOPMENT IN ARKANSAS RIVER VALLEY COMMUNITIES, 1966-1970						
Industrial Development Organization						
	Organizations assuming major share of industrial recruitment	Professional status of staff	Public or private industrial parks	approximate acreage in industrial parks	industrial park site on river	
		Professional	Volunteer			
OKLAHOMA						
Tulsa	Chamber of Commerce Tulsa Ind. Dev. Authority Industries For Tulsa	X	X	public private	9,101	yes
Arkansas	Chamber of Commerce Sallisaw Improvement Corp. Muskogee Ind. Foundation Greater Muskogee Ind. Trust Greater Muskogee Dev. Corp. Muskogee Ind. Trust	X X X X X X	X X X X X X	1 semi-public 1 city/county park (public) 2 private	small parcel 1,502	no yes
Arkansas						
rt Smith	Chamber of Commerce	X	X	22 private parks	4,032.3	yes
Van Buren	Chamber of Commerce Crawford County Dev. Corp.	X X	X X	1 public 220 acre ext. 2 private applied for	1,640	yes
Ozark	Industrial team	X	X	- - - -	- - - -	no
Morrilton	Chamber of Commerce	X	X	C. of C. purchase with Ind. Commission	40	no
Dardanelle	Dardanelle Ind. (C. of C.)	X	X	- - - -	- - - -	no
Russellville	Russellville Industry Dev. Committee (C. of C.)	X	X	public private	200	no
Conway	Conway Dev. Corp. (C. of C.) Conway Corp.	X X	X X	1 private 1 public	318	no
Little Rock	Chamber of Commerce 50 For The Future Port Authority Ind. Dev. Corp.	X X X X	X X X X	11 private (15 other areas zoned industrial)	4,109	yes
M. Little Rock	Chamber of Commerce N. Pulaski Assoc. (with C.)	X X	X X	- - - -	- - - -	proposed
Pine Bluff	Jefferson Ind. Foundation	X	X	1 private 1 city/county	1,157	yes

¹ source: AT1 data secured from local Chamber of Commerce, Industrial Development Organizations, city governments. Tulsa Metropolitan Area Planning Commission, 1972 figures.

Table 4-5

Number and Percent of Arkansas River Valley Community Leaders Who Linked Community/Area Growth With Changes in Railroad Freight Rates

	Community/Area Growth Linked to Freight Rates					
	Yes		No		No Response (Not Applicable)	
	Number	Percent	Number	Percent	Number	Percent
OKLAHOMA						
Tulsa	16	53.3	5	16.7	9	30.0
Stillwater	0	0.0	0	0.0	6	100.0
Muskogee	3	13.0	6	26.1	14	60.9
Subtotal	19	32.2	11	18.6	29	49.2
ARKANSAS						
Fort Smith	5	36.2	6	31.6	3	42.1
Warr Buren	5	83.3	0	0.0	1	16.7
Dark	0	0.0	2	33.3	4	66.7
Mountain	1	33.3	2	66.7	0	0.0
Dardanelle	3	60.0	1	20.0	1	20.0
Russellville	1	9.0	5	45.5	5	45.5
Conway	4	36.3	2	18.2	5	45.5
Little Rock	7	20.0	7	20.0	21	60.0
N. Little Rock	1	25.0	1	25.0	2	50.0
Pine Bluff	4	33.3	3	25.0	5	41.7
Subtotal	31	27.7	29	25.9	52	46.4
Total	50	29.2	40	23.4	81	47.4
					171	100.0

TABLE 4-7

Number of Transportation Systems Available in
River Communities Studied - Arkansas/Oklahoma 1976*

<u>Community</u>	<u>Highways</u>			<u>Railroads</u>	<u>Airlines</u>	<u>Truck Lines</u>
	<u>Interstate</u>	<u>U.S.</u>	<u>State</u>			
ARKANSAS						
Pine Bluff	0	3	4	2	1	10
Little Rock	2	2	0	3	5	28
N. Little Rock	2	2	0	3	0	20
Conway	1	2	0	1	0	10
Morrilton	1	1	2	1	0	5
Russellville	1	1	2	1	0	6
Dardanelle	1	1	2	1	0	4
Ozark	1	1	1	1	0	5
Van Buren	1	1	0	3	0	11
Fort Smith	1	2	0	3	2	26
OKLAHOMA						
Tulsa	1	4	1	3	5	30
Muskogee	2	3	1	4	1	18
Sallisaw	1	2	0	1	0	5

*Source: U.S. Army Corps of Engineers, Table: Sheet No. 6, River Terminals, McClellan-Kerr Arkansas River Navigation System, 1976. Aircraft Owners and Pilot Assoc., Airports USA (Wash., D.C.: AOPA, 1976), Arkansas State Highway Commission, Six-Year Highway Programs, 1974-1979 (Little Rock, Ark.: ASHC, n.d.).

Table 4-8

Number and Percentage Change of Physicians by Arkansas River Valley Communities, 1950 - 1973¹

Communities	Year and Percentage Change																		% Change from 1969-1975
	1950		1956		1958		1963		1967		1969		1973		1975		% Change from 1950-1973		
	No.	% Ch.	No.	% Ch.	No.	% Ch.	No.	% Ch.	No.	% Ch.	No.	% Ch.	No.	% Ch.	No.	% Ch.			
OKLAHOMA																			
Tulsa	306	--	356	16.3	360	1.1	419	16.4	426	1.7	489	14.8	560	14.5	653	16.6	83.0	14.5	33.5
Sallisaw	3	--	4	33.3	3	-33.3	4	33.3	4	0.0	3	-33.3	3	0.0	7	133.3	0.0	0.0	133.3
Mustogee	59	--	55	-6.8	61	10.9	61	0.0	63	3.3	64	1.6	64	0.0	89	39.1	8.4	0.0	139.1
ARKANSAS																			
Fort Smith	65	--	72	10.8	75	4.2	86	14.7	103	19.8	114	10.7	140	22.8	165	17.8	115.4	22.8	44.7
Van Buren	7	--	11	57.1	5	-54.5	3	-40.0	3	0.0	4	33.3	6	50.0	6	0.0	-14.2	50.0	50.0
Ozark	5	--	6	20.0	5	-16.6	5	0.0	5	0.0	3	-40.0	2	-33.3	2	0.0	-60.0	-33.3	-33.3
Morrilton	13	--	8	-38.5	10	25.0	9	-10.0	7	-22.2	8	14.3	7	-12.5	9	28.5	-46.2	-12.5	12.5
Dardanelle	3	--	4	33.3	3	-25.0	5	66.6	4	-20.0	5	25.0	7	40.0	7	0.0	133.3	40.0	40.0
Russellville ²	19	--	16	-15.8	15	-6.2	12	-20.0	15	25.0	16	6.6	25	56.2	30	20.0	31.6	56.2	87.5
Conway	11	--	13	18.2	10	-23.1	12	20.0	15	25.0	16	6.7	20	24.6	25	25.0	81.8	24.6	56.2
Little Rock	350	--	393	12.3	408	38.2	485	18.8	556	16.7	563	.5	691	22.7	875	26.0	97.4	22.7	35.7
N. Little Rock	35	--	37	5.7	30	-18.9	40	33.3	42	5.0	48	14.3	59	22.9			68.6	22.9	
Pine Bluff	44	--	46	4.5	49	6.5	55	12.2	59	6.8	62	5.1	63	1.6	65	3.1	43.2	1.6	4.8

¹ Source: American Medical Association, American Medical Directory: A Register of Physicians (Chicago: AMA), 1950, 1956, 1958, 1963, 1967, 1969, 1973; and List House of AMA 1975 for Tulsa and Little Rock.

² In 1976 Russellville had 35 physicians.

NOTES TO CHAPTER 4

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15. Ibid. See also Monroe Lerner and Odin W. Anderson, Health Progress in the United States 1900-1960. Chicago: The University of Chicago Press, 1963, pp 219-28.

CHAPTER 5

BECOMING A PORT CITY

INTRODUCTION

Realization of the belief that a multipurpose navigation system would encourage development of the river basin economy depended on the specification of this general plan into numerous goals and organizational changes. The general goal of economic development would have had to be broken down into more concrete objectives which, in turn, would become the responsibility of particular organizations. In some instances these organizations would have to be created; in other cases, the program of existing associations would be modified. The leaders and citizens of each community would have to decide the degree of importance to be assigned to the objectives which would connect the overall plan of development for the river basin with concrete changes in the community. These included port facilities, industrial parks and various transportation improvements to permit use of the facilities. Decisions involved financial considerations and the organizational machinery for operating the port and industrial park.

Whether, and the degree to which, these improvements were made depended partly on the extent to which a new generation of leaders subscribed to the views of those who had labored so long to obtain the waterway. By the time the navigation project had been completed, some of the leaders had died and others were nearing the age of retirement. Presumably the older men would not play a leading part in using the waterway to foster economic development. Their influence would be contingent on the extent to which new generations of leaders believed that the waterway held great promise for the future of the river basin area. Unless the younger men were committed to this plan of development, little would be accomplished. Leadership succession and the specification of the overall development plan into more concrete instrumental objectives were closely connected.

The role of the various communities also differed substantially in each of the two phases of development. During the long period of time required to obtain the navigation project, the leaders of each community joined with each other to collectively influence the politics of congressional decision making. While the community per se contributed written and organized moral support, little in the way of financial support was provided. The leaders obtained funds from specific supporters and often paid expenses from personal resources. During the second phase, the community would have to finance a substantial amount of the cost of local improvements. The city council might also have to accept a share of responsibility for financing the operations of the port authority. Citizen support would be crucial when voters were asked to approve a bond issue to finance port development. The community, in other words, would be the primary setting for the changes required to use the waterway for expanding commerce. The action required would be at the local level, not national.

THE COMMUNITY AS A MODE IN A TRANSPORTATION NETWORK: THE INFLUENCE OF THE WATERWAY

Construction of the waterway enabled each adjacent community to become part of an additional transportation network. Each community, if it chose, could become a place for receiving and shipping goods on the inland waterway system of the nation, which, in the mid-seventies, included more than 25,000 miles of "useable navigable inland channels, exclusive of the Great Lakes."¹ The ports on the Arkansas River would be connected by inland waterway to such major urban centers as Omaha and Kansas City on the Missouri, Minneapolis-St. Paul and St. Louis on the Mississippi, Chicago on the Illinois, Pittsburgh and Cincinnati on the Ohio, Knoxville and Huntsville on the Tennessee, St. Louis, Memphis and New Orleans on the Mississippi. Arkansas River ports would be able to receive from these places all those commodities which were economical to ship on water that local plants might need. Each Arkansas River port also could become a distribution center for natural resources, farm commodities, and manufactured products from the surrounding territory.

By becoming a port on an inland waterway, the city could increase the diversity of its transportation facilities. This change permitted combinations in the use of various means of transportation which were not previously available, an improvement in intermodal transportation which also could stimulate economic and population growth. Various commodities could move to and from the port by rail or truck.

Grain, for example, from Kansas or western Oklahoma could be trucked to a river port for shipment by barge to New Orleans. Petroleum could be shipped to a river port by barge for distribution by pipeline. A variety of cargoes, such as petroleum, bauxite, steel, rubber, or paper, could be shipped to a river port and transported by rail or truck to the plant or refinery. The finished or semifinished product then could be shipped to various points in the country or overseas by rail, truck or air freight.

For certain products, the waterway could promote the use of existing transportation facilities. Railroad freight rates were cut prior to completion of the waterway to prevent the loss of business to barge transportation. Steel shipments, for example, have been reduced by half for most if not all Arkansas River ports. The cost of shipping grain also has been drastically reduced. By enabling shippers to lower transportation costs, the waterway may have encouraged the expansion of manufacturing operations in the port communities. New plants may have located in these cities to take advantage of the lower transportation costs.

Technological advances in barge transportation should open overseas markets to Arkansas River ports in five or ten years. Barges now can be loaded on ocean going vessels for a long sea voyage. Feeder ships deliver the barges to inland ports. This arrangement puts an end to pilferage which often occurs after goods have been unloaded at a port. By going directly from barge to ship and then from ship to barge, the cost of

storing is eliminated and the cost of unloading is considerably reduced. One shipping company did establish a schedule of container pickups along the Mississippi in the fall of 1976. If successful, the schedule can be extended to inland waterways.

Taken as a whole, the availability of water transportation greatly changes the city's hinterland and foreland, the contiguous and noncontiguous area to and from which goods are shipped. The city's hinterland would be greatly expanded if shippers in distant locations use the port facilities. The shipment of locally produced commodities overseas, and the receiving of items from foreign lands expands the territory within which the city has exchange relations. The distributional activities of the city, both at the port, railroad, bus and air terminals also expands greatly. These additional contacts at home and abroad also will give the city greater visibility as an important distribution center. The labor force involved in handling the paper work, in loading and unloading, in storage and in financial transactions, also grows as does the local enterprises serving the inhabitants.

DEVELOPING PORT CAPABILITIES AS A FACTOR IN SOCIAL AND ECONOMIC CHANGE

Two approaches can be taken to understanding differential community reactions to the responsibilities associated with port development. One can focus on characteristics of the community, its economy, population characteristics, and leadership capabilities. A second approach analyzes the nature of waterway transportation and its probable impact on a city which, throughout its history, has been oriented toward terrestrial transportation. What changes are likely to occur from this increase in the diversity of transportation facilities? Obviously, neither approach suffices by itself, since the impact of water transportation may vary with community characteristics. The discussion begins with a consideration of the nature of water transportation, and the ways by which it may change both the economy and social organization of the community.

Construction of the navigation system signified the impact of technology on the community. Under ordinary circumstances, in the development of the nation, many cities began as towns situated along the coast or at that point on a river where a natural break in transportation occurred.² Expansion of trade on the river or of ocean commerce along with other forms of economic activity were part of the development of the city from its inception. Acquisition of expertise on domestic and overseas trade and development of the organizational apparatus for handling these activities took place gradually; for several coastal cities it extended for several centuries. The outlook of these cities from the beginning was oriented toward trade and inhabitants were accustomed to contact with people of different regions, nations and cultures. The outlook of inhabitants was shaped by this diversity of experience, population and economic activity.

These experiences and activities of cities with diverse transportation facilities were telescoped for the towns and cities along the waterway. Until the time the waterway opened, these communities had been land-based or had had limited water utilization for very short periods. Their economies were oriented toward land, and in some instances, air transportation. The application of modern technology to the taming of a river provided the adjacent communities with a "new" form and a diversification of transportation facilities. The adaptations which older waterway cities were able to make over a period of decades--if not centuries--to changes in modes of water transportation, in communication and in the methods of conducting trade and commerce now would have to be made in a far shorter period of time. The impact and magnitude of the change would be far greater for those towns which served essentially as a retail and wholesale service town in its trade area than for those whose economic base included some export industries. The former were largely insular and localistic, while the latter had many connections to cities in distant locations. The former did little or nothing to compete overtly with other communities for new businesses and industries, while the cities in the latter category may have been quite active in this regard. The waterway, for the former to a far greater degree than the latter, required the ability to cope with and exercise some measure of control over the decisions of extralocal agencies.

THE WATERWAY AND INDUSTRIALIZATION

A long term trend in the growth of population has at least one major requisite, the expansion of the local economy, which provides a growing number of employees and which requires a growing labor force. Not all segments of an economy contribute equally to growth of employment opportunities. Those industries which produce goods and services for enterprises beyond the borders of the community, export industries, are thought to contribute more to local growth than those which mainly serve area residents.³ The export industries bring large amounts of outside capital into the community which are used for various purposes--expansion of industry, payment for goods and services received from local businesses, and hiring workers for the plant labor force. Few cities can attain metropolitan status without specializing in one or a few export industries for a national market.⁴

The contribution of this aspect of industrialization to urbanization can be increased even further if another change takes place in the community's mix of import and export activities. Rapid growth occurs, according to Jane Jacobs, as the community gains in self-sufficiency by substituting goods and services provided locally for those which had been imported from the outside, a process of import replacement.⁵ The capital which had been exported now stays at home, contributing to an increase in local purchasing power and in capital accumulation. The expanding resources of local banks become an important source of venture capital. The third

step in this process of growth takes place when firms originally specialized for meeting the needs of the domestic market develop markets outside the community. The city thereby acquires new exports and new sources of capital. This theory of industrial development implies that local business leaders are highly innovative.

How does this theory apply to the towns and cities along the Arkansas River Navigation System? The availability of water transportation enabled some cities to take the first step toward developing an export industry by acquiring plants producing for a national market (see Chapter 4 on Community Profiles). It also facilitated expansion of some local firms which were engaged in export activity, such as the Ward Industries in Conway which manufactures school buses. Some towns also became part of the transportation network for shipment of agricultural commodities. Instead of continuing to bypass the town in the movement from farm to coastal port, various shippers sent grain by truck to the waterway and by water to New Orleans. The growth of export activities, therefore, involved a diversity of products, agricultural, materials for construction such as sand and gravel, as well as industrial products.

The waterway strengthened export activity in at least one additional respect. Water transportation provided the means for moving certain commodities or manufactured products which could not as readily be shipped by rail or truck, such as heavy pieces of equipment. The waterway provided a new mode of transportation which, for some products, supplemented rail and truck. In these situations the volume of export activity should grow more rapidly than in those where use of the waterway resulted in declining use of other modes of transportation. An additional stimulus to the growth of export industries resulted from reduction in railroad freight rates for those commodities which could move on the river, such as steel and grain. These lower rates could provide a substantial inducement for the location of export firms in communities near the waterway.

The next step in the growth of export activity would occur if plants found new markets for a product that was supplied to a local firm. In the 1830's, for example, Cincinnati developed a manufacturing industry from the small enterprises which produced various parts and machines for the steamboats that were being built in that city.⁶ In a similar manner, a firm providing machinery for oil drilling operations in Oklahoma could find a market for its product in the Middle East. A similar result could be achieved when a plant expands its market by adding a new product to its output, e.g., when an automobile company produces tractors or buses.

As the local economy becomes more diversified and more oriented toward national and international markets, a number of other important changes take place. As people are attracted to the area from various regions of the state and nation, the labor force becomes more diversified in terms of occupations, skills, and cultural background. Various specialists in

the community, especially bankers, acquire expertise in matters pertaining to export activity. They become more familiar with the managerial and production aspects of the town's export industries, and acquire know-how in aspects of domestic and foreign trade, on the exchange of currencies and movement of funds. This expertise gives the community a resource as valuable as that provided by a large pool of skilled workers. Several banks in Tulsa and Little Rock established departments of international trade at approximately the time the waterway opened; the three Little Rock departments were a direct response to the waterway.

The development of a specialized labor force consisting of both skilled workers, professionals and managers conversant with the expertise required by industries producing for national and international markets, and the elements for supporting export industries also attracts enterprises seeking a community with these advantages. Blumenfeld, for example, takes issue with those economists noted above who contend that export industries are more influential than other components of the local economy. He argues that economies made possible by local firms and specialists are even more important in attracting export industries to a community.⁷ He states:

It is thus the "secondary," "nonbasic" industries, both business and personal services, as well as ancillary manufacturing, that constitute the real and lasting strength of the metropolitan economy. As long as they continue to function efficiently, the metropolis will always be able to substitute new "export" industries for any that may be destroyed by the vicissitudes of economic life.⁸

The argument over the relative importance of export and nonbasic economic activities overlooks the pattern of mutual interaction. The relationship seems more symmetrical than asymmetrical. An expanding export sector requires a growing number of local firms to supply various inputs. The expertise gained from these activities may lead either to attracting new export industries or, as indicated above, production by a local firm for a regional or national market. Development of new can compensate for the loss of older export activities which have been taken over by other cities. A city with a viable and diversified local sector has a greater potential in adapting to the vagaries of the economy than a community which is more specialized. This circumstance may account for the difficulties experienced by Pittsburgh and Detroit in breaking out of the dependence on steel and automobile manufacturing, respectively, and in expanding employment opportunities for residents.⁹

INSTITUTIONALIZATION OF ECONOMIC CHANGE

What factors contribute to the development of both local and export industries? How is the process initiated? In the case of communities along the Arkansas River, one point of departure concerns development of ports. Initiation of change begins with the establishment of organizations which are committed to goals that are part of and contribute to the plan of development shared by the older generation of waterway leaders. In most river communities a number of organizations were established whose primary mission concerned development of the port and its capacity both for the handling and production of goods. These usually included a port authority responsible for the planning and administration of the port, for hiring and firing port personnel. This authority also is responsible for developing an industrial park near the port, or a separate agency could be established for that purpose. The port authority or a trust authority might also be responsible for the issuing of bonds for the purpose of developing the port and related facilities. The addition of these organizations increases the complexity of social structure through the addition of special purpose associations and specialists in various aspects of water transportation. A number of other organizations usually were or had been created to support the associations concerned with the port. These were the Propeller Club and, for the Arkansas river basin, a port operators association. Older water related organizations continued to function, especially the Arkansas Basin Association and the Arkansas Basin Development Association. Links to national associations either were maintained or increased since several of these local groups belonged to the National Waterways Conference and the Water Resources Congress. Indeed, a Tulsa bank president also served as president in 1975 and 1976 of the former organization.

Ties between the local Chamber of Commerce and port-related organizations also were of some importance for economic development. In some towns, such as Muskogee, the industrial development corporation was an offshoot of and was still attached to the Chamber, playing a role in bringing new industry to the community both at port and nonport sites. Elsewhere, as in Tulsa, the staff of the port was mainly responsible for recruiting industry for the port's industrial park. In most river communities, considerable pains were taken to avoid competition between the industrial development and the port authority staffs to recruit industry for any potential location in or near the city.

These water related organizations and the staff members constituted one or more pressure groups oriented toward the expansion of industries which would use the waterway. The port directors and executives of the industrial development corporations were rated, in part, by the extent to which they contributed to the meeting of these goals. Increases in salary, prestige and opportunities for advancement were contingent on performance. These people have a vested interest in economic growth and

community development. The various businessmen and bankers who served as directors of the port authority and industrial development corporations shared this interest to a considerable degree as did the local businessmen whose market and profits would increase as the demand for their product grew.

Linkages of local to certain state agencies also are an important part of the economic development apparatus. Staff members of the industrial development commission usually work closely with the executive directors of the local industrial corporation and of the port authority. These people in Oklahoma belong to the Governor's Industrial Development Team, and periodically scout the country in an effort to interest executives in establishing plants in their state. The local development people have the sanction and support of the state for recruitment activities. A somewhat different arrangement exists in Arkansas. A professional staff is employed by the industrial development agency to perform recruitment activities. Each staff member is assigned a region of the country which he frequently crisscrosses to generate interest in Arkansas. This staff member also collaborates with local development people in whose area a client may relocate or build a facility. This arrangement relies on a clear division of labor between the state and local people concerned with industrial recruitment. It takes advantage of the contacts which each state agency staff member has acquired and maintained in a particular region. It is more difficult for counterparts in Oklahoma to maintain the necessary national contacts, for trips to other regions do not occur often--at the most, once a year.

Other linkages on the local level also play an important part in coordinating actions on industrial development activities with the decisions of organizations providing various services. Since few port authorities have funds for publicizing their facilities, some of this work is carried out by the Chamber of Commerce in material concerning the community which is widely disseminated. A ceremony will be staged on occasion to mark some phase of waterway construction which is designed to attract publicity and give the community and its port coverage in the mass media. Senator McClellan was honored in Washington at a party sponsored by several Tulsa organizations on the occasion of the fifth birthday of the completion of the waterway. Hundreds of dignitaries attended, including President Ford, who made a brief address. Since the event was noted in a number of newspapers, the Chamber public relations director was quite pleased.

Support from city government also is quite critical, especially in terms of planning for provision of basic services. Expansion of water supply, treatment facilities, sewage disposal systems, and highways are among the outputs of government which are indispensable for the success of industrial parks and the operations of the port. Apart from the need for services, the linkage is quite direct. The governing authority which has jurisdiction over the port authority usually appoints the directors.

The general practice has been to select those individuals who, over the years, worked for the development of the waterway and have demonstrated a strong interest in industrial expansion. Several important transactions also take place between the port authority and the governing bodies, especially during the formative years. These concern, first, the issuance of municipal bonds to finance land acquisition and construction of facilities and, second, funds for operations. After a few years, most ports generate income sufficient to finance routine activities; a subsidy from local government is not required.

On occasion the increase in organizational complexity resulting from the creation of port authorities with an administrative staff and links to local, state and national organizations can be a source of conflict. While port facilities may not require a local subsidy for operations, the need for capital improvements, especially during the formative years, is considerable. Most local governments, for reasons considered in detail in Chapter 9, are able to provide limited if any assistance at all. Some port directors who are strongly committed to development find this limitation frustrating if not, for various reasons, a definite handicap to expansion of the facility. Conflict may arise and has arisen between the various professionals in the community concerned with recruiting industry for the port and tracts elsewhere in the area. This rivalry has hindered efforts to bring new industry to certain communities. Of even greater importance for the overall development effort is the need to deal with a complex array of technical problems for which the cities at the outset often lack the required expertise.

PORT OPERATIONS AND DEVELOPMENT

The specification of the general plan of development into more specific goals whose attainment became the responsibility of particular organizations does not suffice to assure expansion of the economic base. Various fiscal and technical aspects of port operations must be skillfully handled. The staff and directors should have a thorough knowledge of the hinterland which the port serves, both the metropolitan area and the organizations in outlying territory which might benefit from use of the port. This "hinterland," for some commodities such as grains, may extend into another region of the state or cross state boundaries. A knowledge of transportation economics as well as familiarity with the economy of the port's potential hinterland are helpful for expanding the port's service area. The background of the port director and his key staff people, therefore, are matters of considerable importance. Preference has been given in Tulsa and Little Rock for men who are well trained in the development/management of the waterway, and retired Corps of Engineer officers who served in key positions in the local Corps office. Other communities have opted for men with more experience in transportation or industrial recruitment while in Dardanelle, a local family has developed and managed the port for the area, which includes Russellville.

The type of agency managing the port is another important consideration. In Tulsa and Little Rock, for example, a public authority is responsible for management. In several other communities such as Muskogee, Fort Smith and Pine Bluff, the public authority has entered into a contractual relationship with a private organization to manage the port. This arrangement may be preferred where local leaders feel ill-equipped to manage a port from the standpoint of technical know-how. The difficulties in obtaining local capital for financing the acquisition and construction of various facilities also may play a part in selection of a private firm. A subsidiary of The Williams Companies was selected to manage the Muskogee port due partly to the belief that the concern would invest capital in developing various facilities. Hence port development would move ahead more rapidly than would otherwise be possible since sources of capital within the community were limited.

As in all organizations, decisions on the timing and amount of capital improvements can have a great effect on the volume of business and profits. For a port authority, the decision involves judgment on the type of and amount of various commodities that will move on the water. A mistake in timing can be quite costly. Tulsa's first port director, based on the findings of a study commissioned by the port authority, concluded that grain would not move through the port and no storage facilities were constructed. Soon after the port began operations, it became evident that this decision was erroneous. Grain handling and storage facilities later were built, and by 1975 the shipment of grain had become an important part of the port's activities. Expansion of the capacity of the port's storage facility, 300,000 bushels, was under serious consideration in 1976. A number of port boosters believe, however, that the delay in providing capabilities for handling the shipment of grain slowed development of the port. Similar considerations pertain to decisions on the capacities of cranes needed at the port, loading and unloading facilities, warehouses, railroad and highway spurs, and capabilities for handling various cargoes such as bulk liquids.

Initial decisions in Pine Bluff ignored the possibility of grain shipment in favor of more likely products known to port decision makers. Early recognition of this limitation to development was quickly remedied. The Port of Pine Bluff handles large-scale grain shipments to points all over the world. The company managing both the Pine Bluff and Fort Smith ports purchased a private grain-handling port at Helena, Arkansas, on the Mississippi. In both the Tulsa and Pine Bluff cases, it took time to learn. Whatever the commitment of leaders and managers to economic development, good intentions do not substitute for experience and competency.

The rapidity with which the land-based seemed to become port cities leaves little time to acquire the needed expertise.¹⁰ While highly qualified people may be employed for the more responsible positions, these administrators, if outsiders, still have much to learn about the local area. Whether locals or outsiders, many tasks must be performed such as

the education of board members and the public-at-large on the operations of a port. The cities which were ports from the beginning developed over many years a relatively large pool of people who were familiar with water-borne commerce and the economics of water transportation. The information based on past experiences, both locally and of other communities, was available from specialists to port personnel--at local banks, the Chamber of Commerce, or from various corporations. The port cities, at their inception, had no such comparable knowledge base to draw on. Years of experience and many errors of judgment would be required before a comparable level of expertise could be developed unless an experienced manager could be found. The process of developing the institutional capabilities for effective use of the waterway as an artery of transportation was a long-term undertaking. For a variety of reasons, many of which are taken up in later chapters, progress would be slow.

"COMMUNITY IMAGE" AND THE WATERWAY

Public awareness of the port, its operations and contributions to the local economy, also have a considerable bearing on the resources available to and success of the facility. An effort to understand public opinion on these matters cannot be limited solely to the port but must also take into account various dimensions of waterway improvement, especially those features which for so long menaced the river basin communities, flooding, bank cave-ins and drought. The change in condition of the river which once was unfit for recreational use, also has some influence on public attitudes.

Before the waterway was developed, the Arkansas River

...was full of sewage, chicken entrails and industrial wastes that only catfish and gars had the stomach to survive in it...¹¹

It had been "a dirty, wild, Huckleberry Finn of a river as long as anyone could remember. Few believed that it would be anything else..."¹² A few years after completion of the waterway,

...The Arkansas, if not quite blue, is a most appealing clear green, instead of the muddy brown it once was. Where it formerly alternated between a flooding torment and a drought-eaten trickle, it now flows placidly and fairly evenly to the Gulf-bound waters of the Mississippi River.¹³

While young people might take these improvements for granted, their parents and grandparents had vivid, daily evidence of the change which had taken place. Apart from direct observer awareness of the change in the river, use of the river also changed once the condition had improved. These changes signified some modification in the daily activity of many local residents. Bass fishing is said to be excellent and many contests are held in communities along the river. Participation is so enthusiastic that in Sallisaw it was not possible on one occasion to persuade several leaders to forego a fishing contest on a Saturday afternoon for a meeting with executives of a firm considering establishment of a plant in the community. Boating on the river also has become a popular pastime. Several hundred pleasure craft are on hand for the annual "blessing" of boats at Little Rock. Recreation along the river has become popular with the Corps construction of over 40 shoreline parks and several major developments still in the planning stage. These shoreline parks often include a public beach, basketball and tennis courts, a softball diamond and a picnic area. The public schools in some communities such as Pine Bluff make extensive use of their recreation facility which is located close to the port. The children enjoy the park at the same time that they have some opportunity to observe activities at the port, to see barges move on the water, loaded and unloaded, and to observe the operation of a plant which makes barges.

Awareness of the river in Tulsa has been heightened by the "Great Raft Race," a Labor Day event sponsored by a local radio station, which has drawn hundreds of entries, thousands of spectators, and on occasion, has received national TV coverage. The day's events close with a spectacular display of fireworks. Attendance is so great that homeowners in the vicinity of the river have complained to police of the cars cluttering the streets, driveways and lawns. The traffic jam at the end of the program has lasted for several hours. Riverfront developments which are in the planning stage for Tulsa and Little Rock, if completed, will more fully integrate the river with the city's physical structure in the downtown area.

A negative reaction for some people is induced by the relative rarity of barges on the river. For days no craft will be seen on the Arkansas. It is difficult for some observers not to conclude that the river has had a negligible impact on the river basin economy.

A related aspect of community response to the river concerns the degree to which the public has become conscious of the change from a land-based to a port city. From a public opinion standpoint, have the various communities become "port cities?" The absence of data from public opinion studies on this subject makes it impossible to answer this question in a definitive manner. Nevertheless, a few items merit consideration.

From the standpoint of local leaders, and possibly of the citizenry, the waterway offered new hope for improving the economic base and the socioeconomic condition of the people as early as the period of construction. The waterway tended to inspire confidence in the future of the community,

the county and of the river valley. This renewed hope in the future contributed in many instances to vigorous efforts to develop ports, industrial parks, to publicize the advantages of the locality and to recruit industry and lure tourists. This reaction probably was far stronger in the smaller communities which in the past had few advantages for attracting new firms and which survived in part on the basis of Federal subsidies to the elderly, the poor and the disabled.

In these small towns such as Sallisaw, Van Buren, and Russellville, local businessmen and government officials experienced the economic impact of the waterway during construction and gained some impression of future possibilities. Hundreds of construction workers used local facilities--retail, banking, restaurants, clothing stores--and dramatically, by community standards, improved business activity for a number of months or years. This infusion of capital and people was an early tangible indication of the "dream come true," that the prophets of the waterway--Graham, Byrns, Caudle, Kerr and McClellan--had correctly predicted the local impact of the navigation system. Apart from the immediate economic impact, this experience did much more. It convinced many local leaders and citizens that their community now had certain assets which opened the possibility for a promising future. Leaders acquired confidence that development was possible; a new self-fulfilling prophecy began to take hold. This confidence and faith in the future was essential for the effective performance of those tasks which would lead to development of a port, industrial parks, recruitment of industry and related activities.

Extent of this reaction to the waterway varied somewhat by community. For the largest cities along the Arkansas River, Little Rock and Tulsa, the waterway had a different meaning. It was not the sole or the major inducement for expanding the economic base. Each of these cities long had engaged in important export activities, state government for Little Rock and a number of industries for Tulsa, manufacturing of aircraft, oil drilling and refinery equipment, and heat exchangers. Each of these communities long had been served by the three other major modes of transportation. The impact of industries and the handling of goods and commodities at the port would be less percentagewise for the economy than in the smaller towns where industry was concentrated at or near the port as in Russellville-Dardanelle.

But for Tulsa the port seemed to have a special meaning and place in the economy. The port was believed to provide Tulsa with an additional resource for strengthening export industry and manufacturing. Over the long haul, if handled properly, the port would stimulate the growth of the Tulsa area economy for decades into the next century. The reduction in railroad freight rates would provide another important advantage for some enterprises in the area and for those that might come in the future. These developments, giving the economic mix an additional source of growth, would boost local manufacturing and take the area closer to fulfilling a

dream held by some leaders which is seldom openly discussed, that of becoming the dominant metropolis in the state, and a major headquarters city in the Southwest--one which would rival Dallas, Memphis and St. Louis. The boost the port would give the economy down through the years would enable Tulsa to outstrip its longtime rival, Oklahoma City, and to be more competitive with the regional metropolises surrounding it.

The leaders of Little Rock did not seem to have such ambitious plans due perhaps to the belief that the city did not have serious competition from other urban centers in the state. As the largest city and the state capital, leaders may have believed that "normal growth" would suffice for Little Rock to maintain its position relative to Pine Bluff to the south-east and Fort Smith to the west. By 1976, Little Rock leaders felt they were competing with Houston, Dallas, and Tulsa for industry. While important, the port does not seem to be as significant for future industrial growth due perhaps to a vigorous effort by a private development firm with interests elsewhere in the metropolitan area. The financial limitations which state government imposes on all municipalities also discourage emphasis on economic growth from whatever source. And the failure to emphasize the port and future port development in Little Rock is manifest also in Fort Smith and Conway whose growth can not be attributed mainly to the waterway. The event which best symbolizes the difference in importance attached to the port in Tulsa and Little Rock was the celebration in Washington in honor of Senator McClellan of Arkansas, and of the fifth birthday of the waterway by Tulsa organizations, not those in Little Rock.

Finally, the impact of the waterway may be as great in Muskogee as for any other city along the river, but for somewhat different reasons. The development of the port and the activities of its boosters have helped to accelerate a trend of change, as well as to intensify to some extent a fundamental policy conflict. This conflict centers on the issue of growth versus stability. For many years the dominant leadership faction opted for stability. The emphasis has been on retaining the enterprises already located in the town, especially government agencies such as the Veterans Administration. While for some years local leaders may have fretted over the reversal of position with Tulsa--as the latter overtook Muskogee in population and then left it far behind--in more recent years the leadership emphasized the risks and financial reverses associated with large-scale growth. Leaders consoled themselves with the thought that stability involved fewer problems and virtually no losses.

The waterway and the port changed the situation drastically. Muskogee would be challenged not only by larger sister cities such as Fort Smith, but by every nearby town which had a port, private or public. If the leadership did not make a major effort to develop adequate port facilities, the city might not retain the businesses and population that it had. This circumstance and the aging of the more conservative leaders led to the gradual emergence of leaders who were more committed to the growth of the

area. This conflict has not yet been settled and still creates problems for those promoting port and industrial development. The acquisition of a major industry--Fort Howard Paper Company may strengthen the expansionist leaders and, for the time being, end the conflict.

Several cities did not wait for construction of the waterway before embarking on a major development program. The closing of Fort Chaffee near Fort Smith in the early fifties meant a considerable loss of income for many local businesses. Leaders responded with a vigorous effort to bring industry to the town, which was largely successful by the end of the sixties. Some companies such as Whirlpool and other users of steel, made heavy use of the waterway and the port after completion. The impact of the port on the local economy is limited by the very small amount of land adjacent to the port for industrial development. While plans for a larger port facility, including an industrial park, have been prepared, there was no indication in 1976 that a strenuous effort for implementation would be made. The financial restrictions under which local government has to operate make it difficult to provide services for new industry and a growing population, a condition aggravated by defeat in mid-1976 of a proposal to raise the sales tax. A move to develop a new and larger port facility is unlikely to be made until the taxing powers of municipalities have been improved. For these reasons no serious effort is made to attract new plants to the city. Fort Smith in this regard is in a "holding pattern."

Conway, like Fort Smith, experienced rapid industrial growth prior to the seventies that could not be attributed to the waterway, but to other transportation advantages. Whether for this or other reasons, local leadership preferred to await private investment in port development which has not yet taken place. Another possibility which has been mentioned concerns one of the larger users of the waterway--Ward Bus--whose owners might someday build a port on the river at Conway and put in facilities for loading and unloading barges. The company now brings in steel by barge to Little Rock and trucks to the plant in Conway. Conway officials have been able to avoid some of the financial difficulties experienced by most Arkansas cities through use of the Conway Corporation. This agency manages the water and power systems and uses profits obtained from the rate structure and organization efficiency to provide some of the capital needed for developing industrial parks and related facilities.

CONCLUSION

The change from a land-based to an inland port city has a number of important dimensions. Theoretically the availability of water transportation and access to other major centers on the inland waterway system of the nation should lead to the expansion of export industries, thereby initiating a cycle of extensive growth which includes the development of

local enterprises and the improvement of local services. These improvements, by themselves, could become a major factor in future industrial growth, in combination with or separate from the waterway. The waterway does not exercise this influence automatically or spontaneously. Apart from development of physical facilities, the administrative staff must be highly competent and able to avoid or resolve potentially destructive conflicts with other local agencies with responsibilities for development. Public response to the waterway, the degree of awareness of and appreciation for actual and potential contribution to community development depends partly on the use made of it for some daily or routine activities. It depends also on the importance local leadership attributes to the waterway for the future of the community, as manifest in a variety of activities, ceremonies and discussion in the mass media. The range and intensity of public support makes itself felt when port officials request funds or a bond issue for an aspect of the improvement program.

NOTES TO CHAPTER 5

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5. Jacobs, Jane, op. cit., pp 152-59.
6. Green, Constance M., American Cities in the Growth of the Nation. New York: John De Graff, 1957, p 47.
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10. Although planning and development could have begun years before, many leaders feared that funding could have been cut off at any time and the system left incomplete.
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CHAPTER 6

I COMMUNITY DEVELOPMENT

INTRODUCTION

Construction of the waterway established a complex pattern of reciprocity between Federal agencies and communities along the Arkansas River. The communities were expected to provide the facilities whereby the navigation system would foster industrialization and urbanization. These actions on the part of the localities were essential for reaching the levels of shipping--13 million tons--projected by the Corps and used to justify construction. The years of effort on the part of local leaders and the testimony at hearings of congressional committees emphasized the local commitment to use the facility once it was constructed. The expectation of local action was further strengthened by rejection of alternatives which would have made either Federal or state government an active partner and financial contributor to system development. The leaders of the various communities in the thirties and forties defeated efforts supported by President Roosevelt and various legislators from the two states in establishing an authority similar to TVA to supervise the navigation system (see Chapter 2). Some years later a proposal to establish a bistate authority to supervise waterway development also was rejected. Local government and organizations were the major units responsible for developing the navigation system.

The expenditure of well over a billion dollars in Federal funds for a navigation system in Arkansas and Oklahoma immediately established an obligation on the part of the local communities to contribute their fair share to the success of the undertaking. This "share" involved not only capital but an effective organizational structure, and a willingness to adapt to the various problems which an expanding economy and population would bring. The reciprocal obligations established by the waterway were complicated by the time required to gain authorization and construction of the waterway. The lengthy time period resulted in substantial succession of leaders engaged in the undertaking. By the time the waterway was nearing completion, many of the principal leaders who had led the movement for construction either had died or were close to retirement. A newer generation of leaders had to grapple with the tasks concerned with port and industrial park development. While some had been involved in the movement, others had not. The responses of local leaders would be indicative of the degree to which the newer generation had endorsed the views of those persons who had led the fight to build the navigation system.

The stakes were high. If the communities did little, or were incapable of carrying out the requisite tasks, little economic growth based on water transportation would occur. Millions of dollars of taxpayers money would have been invested unwisely. The opponents of inland navigation and of the Corps of Engineers would have strong arguments against similar projects elsewhere in the nation. The Congress and the Corps of Engineers would have lost credibility for previous estimates of growth would be wide of the mark. Failure of the navigation system would be a major embarrassment to the Federal government.

Construction of the navigation system under these circumstances involved heavy responsibilities for the various local communities. Two questions were involved in local response: the commitment to use inland navigation to encourage development, and the availability of the varied resources, including organizational capability, in accomplishing that end. Since the communities varied from small towns to metropolitan centers, and in both financial and technical know-how, effectiveness of the development apparatus could not be taken for granted.

Organizational aspects of development involved important decisions. The first concerned the strategy for development, whether or not to place primary reliance on rail and highway transportation which had the advantage of not requiring additional local resources. This approach might appeal to communities which had grown substantially prior to completion of the waterway. The decision to use the waterway, on the other hand, involved leadership in a series of complex, interrelated matters. These included the following: whether management of the port should be vested in a public authority or with a private enterprise; the types of facilities needed to handle the commodities likely to move through the port in the early years; the amount of funds to be invested in port development; the manner of financing by bond issue, bank loan, grants from Federal agencies or some combination of revenue sources; agreements with city and county government on the types of assistance, financial and otherwise, which could be provided the port in operating expenses; establishing working relationships between a port authority and other local organizations concerned with economic development; educating local business executives on the advantages of using water transportation; and disseminating information nationally on the intermodal transportation, especially water, available in the municipality. The "impact" of the waterway, its contribution to economic and population growth and to community development depended, in large part, on the efforts made by local groups and leaders to utilize this facility. Their goals and the methods of attainment, to a large degree, would determine the consequences of waterway development.

FACTORS INFLUENCING COMMUNITY RESPONSE TO THE WATERWAY: LOCAL LEVEL

For communities which experienced little or no growth prior to construction of the navigation system, the latter has been a major factor in bringing forth a commitment to growth and an instrumental apparatus. Communities in this category include Muskogee, Sallisaw, Russellville/Dardanelle, Ozark and Morrilton. Many of the larger and a few of the

smaller cities, for reasons discussed below, were growing before construction of the waterway was initiated. Since future growth did not seem as dependent on the use of navigation, a decision had to be made on the degree to which this resource would be utilized. Communities in this category can be differentiated in terms of the importance attributed to the waterway as a stimulus to future expansion. The leaders of Conway, for example, made no investment in port development. They decided to rely, for the time being, on the existing rail and highway network. Little Rock and Fort Smith made relatively modest investments while Tulsa and Pine Bluff invested heavily in development of port facilities in the belief that the waterway would be a major factor in stimulating growth.

The cities which had been growing in the forties and fifties encountered many problems resulting from the economic, population and territorial expansion of the urban area. While the communities that had not grown had to provide many facilities in order to be in a position to attract new firms, to reach the "take off stage," and those which had been grown found that many segments of the community no longer were in alignment. Apart from the technical and financial problems of expanding the outputs of various facilities and organizations, the need was urgent for balancing the requirements of older sections near the center of the city against the newer areas at the periphery. While expansion may reduce problems of unemployment and contribute to improved municipal services, many new problems are created which, if not handled properly, will bring growth to a halt. The difficulties of meeting these problems were compounded by various state statutes which limited the cities' ability to raise money for capital improvements.

Extra-Local Factors

Not all determinants of development were under the control of local groups such as national and international economic trends, which occurred in the recession of 1973 and 1974. Extreme variations in weather also could affect commerce on the waterway. Difficulties became serious when, unexpectedly, heavy rains fell in 1973 and 1974. The system was closed to navigation for several months, resulting in large losses to some local firms and, equally serious, leading to the belief among some barge companies that the system was unreliable. The constriction in the flow of water at Fort Smith and the continuing need for heavy dredging at various points along the waterway have been problems since the waterway opened. Conditions greatly improved when rainfall resumed normal proportions and more powerful towboats were used on the river.

Two factors lead one to expect that the communities in Arkansas might be more interested in water transportation than those in Oklahoma. First, water transportation had played an important role in the economy of the state prior to construction of the navigation system. Arkansas was bordered by the Mississippi River and Helena was a port city. Various communities along the Mississippi could take advantage of navigation to ship farm and other commodities. Second, interests throughout Arkansas would have some stake in the navigation system since the river bisects Arkansas into northern and southern sections. In Oklahoma, on the other hand, principal users were

likely to be more concentrated in the eastern part of the state, with the waterway ending at Tulsa. Sectionalism might be more of a hindrance to state assistance for waterway development in Oklahoma than in Arkansas, although this prospect should be mitigated by the presence in the former of the major reservoirs for controlling the flood waterways. These were important tourist attractions and major sources of municipal water.

Three public ports have been built in Arkansas at the time of writing at Pine Bluff, Little Rock and Fort Smith. Private ports serve Russellville/Dardanelle and Van Buren; North Little Rock is seeking construction of a slack water port. Two public ports have been built in Oklahoma, at Tulsa and Muskogee; construction of a port at Sallisaw has been approved by the House of Representatives but funds have not been appropriated.

Although the navigation system traverses a relatively modest portion of Oklahoma, the funds expended for port development far exceed that which has been spent in Arkansas. If available, the data probably would indicate that the funds spent for developing the five ports serving communities in Arkansas do not equal that spent for the two ports in Oklahoma. The difference also can be understood through the fact that the public funds spent for Muskogee's port in a city of roughly 40,000 residents exceeds that invested in the port of Little Rock in a city of over 100,000 people.

PART A

OKLAHOMA METROPOLITAN COMMUNITY: TULSA

Tulsa's response to these problems may be considered as a more mature and systematic effort at control than those manifest by the other growing cities. Several of the latter, especially Little Rock and Fort Smith, give indications of following in Tulsa's footsteps, in developing a complex and ambitious "growth policy." This policy sought to direct and control patterns of growth in a manner intended to alleviate a number of serious problems affecting several vital interests. The growth policy aimed at nothing less than controlling economic expansion in order to modify the economic base and redirect patterns of spatial growth in the urban area. The policy sought to change long term patterns of spatial growth and to regenerate several areas which had been declining. Development of the port and its industrial park were to be integrated into and play a vital role in this plan to manage growth in the Tulsa area.

As the "growth plan" took shape in the early and mid-seventies, its scope was broadened to include the spatial structure of the metropolis. The leadership sought to counteract those forces responsible for asymmetrical development to the south and southeast, leaving large areas to the north and northwest unsettled and those on the near north side in a state of decline. This effort at changing ecological structure was tied to the attempt to increase the rate of employment growth, and the relative position of manufacturing in the economy. It sought also to encourage northwest development both to prevent excessive increases in the cost of government

and to strengthen the central business district. Two factors were crucial for the success of this plan, to improve the c.b.d.'s accessibility and the attractions and services available for the residents of the metropolis. In devising this plan for controlling future development, the leadership believed that the degree to which growth could be sustained and the level that could be reached over the next half century depended heavily on the ability to solve certain problems which the growth of the previous two or three decades had generated. If this were not possible, the city could stagnate while seeking desperately to avoid that fate by fighting various "crises" on a piecemeal basis.

The promoters of the waterway in the thirties and forties were seeking to end the devastation wrought by nature's eccentricities and to break the pattern of discriminatory railroad freight rates. Both sets of circumstances were preventing the city from reaching its potential. Newt Graham, Glade Kirkpatrick, the Mayor and other local leaders probably did not foresee the strategic role of the port and its industrial park in the growth policy which evolved some decades later to modify the spatial organization of the urban area. The port would be an important stimulus for industrial and population growth, and its location, together with certain other developments, would improve prospects for converting the spatial shape of the area to the traditional circular pattern.

Population Change

Tulsa is a young city founded early in the present century, which has grown from a few thousand to over 300,000 inhabitants in 70 years (see Table 6-1 on the following page). The city grew explosively early in the century when it became a center for the development of the petroleum industry. Population also increased rapidly, 82 percent, between 1950 and 1970.

The Tulsa metropolitan area also experienced extensive population growth since 1950 (see Table 6-2 on the following page). It grew by close to 28 percent between 1950 and 1960; increased by about half that rate in the following decade, 13.8 percent; and then grew more rapidly between 1970 and 1974, 20.8 percent. Tulsa County, however, had a slight rate of increase, 4.3 percent between 1970 and 1975, suggesting that the large population gain took place in the outlying and less heavily populated counties. An indication of this tendency comes from data on school enrollment. School enrollment in Tulsa reached a peak in 1968 with more than 80,000 students.¹ Eight years later enrollment had fallen to 60,000, an annual loss of approximately 2,500 students in a few years. This trend reflects the movement of families with school age children from Tulsa to nearby towns and cities, and enrollment in private schools.

Data on population change in the six counties of the Tulsa metropolis indicates the pattern of movement. The gain in population in the six county metropolitan area between 1970 and 1975 took place mainly in the counties east of the city. The Tulsa metropolis increased by 6.7 percent in this time period, compared to 7.7 percent for Oklahoma City and 6 percent for the state.² Tulsa County had the lowest rate of increase, 4.3 percent,

TABLE 6-1

Tulsa Population, 1970-1900

<u>Year</u>	<u>Number of Inhabitants</u>	<u>% Change</u>
1970	331,638	26.7
1960	261,685	43.2
1950	182,740	28.5
1940	142,157	0.6
1930	141,258	96.0
1920	72,075	296.4
1910	18,182	1208.1
1900	1,390	--

SOURCE: U.S. Bureau of the Census. U.S. Census of Population, 1970. Characteristics of the Population, 1, Part 38, Oklahoma. Washington, D.C.: U.S. Government Printing Office, 1973, p 15.

TABLE 6-2

Population of Tulsa Standard Metropolitan
Statistical Area, 1975-1950

<u>Year</u>	<u>Number of Inhabitants</u>	<u>% Change</u>
1975 ¹	585,800	6.7
1970 ¹	549,154	31.1
1960 ²	418,974	27.8
1950 ²	327,900	--

¹Creek, Mayes, Osage, Rogers, Tulsa, Waggoner Counties.

²Tulsa, Creek, Osage Counties.

SOURCE: U.S. Bureau of the Census. Estimates of the Population of Oklahoma Counties and Metropolitan Areas: July 1, 1974 and 1975. Series P-26, No. 75-36. Washington, D.C.: U.S. Government Printing Office, July, 1976. Economic Development Commission of Tulsa. Tulsa: Economic Trends, Conditions, Projections. Tulsa, Oklahoma: Metropolitan Tulsa Chamber of Commerce, no date given, p 20 of section 3.

indicating an equally low or lower rate for the city. Waggoner, southeast of the city, had the highest rate of population gain in the SMSA, 21.9 percent. Close behind were two counties northeast of Tulsa, Rogers, in which the port was located, 17.5 percent, and Mayes, 18.6 percent. The two counties to the west, Osage and Creek, had small increases in population, 7.4 and 6.7 percent, respectively.

The Economy

Manufacturing in the Tulsa area has expanded steadily between 1961 and 1973, with employment increasing annually at more than a 5 percent rate.³ Growth in durable goods has been extensive during this period, almost 58 percent, with the greatest growth occurring in primary and fabricated metals, 148 percent, and in machinery, 67 percent. Employment in nondurable goods manufacturing fell by more than 24 percent.⁴ The manufacturing sector of the Tulsa area economy became more dependent on the metals and machinery industries. This shift is reflected in a change in the index of manufacturing diversification toward greater concentration, reflecting the increased importance of metal fabrication and machinery.⁵ Despite the marked expansion of manufacturing which occurred recently, the percent of the area labor force engaged in manufacturing, 20 percent, lagged behind the national figure, 26 percent. The gap between metropolitan and national labor force participation in manufacturing, and the area's growing dependency on manufacturing in two sectors, influenced formation of the growth policy. Before considering this matter, it will be helpful to consider the pattern of economic development in the Tulsa area.

The economy developed in stages, with each stage marked by the rapid growth of a different segment of the economy. Taken as a whole, this pattern accounts for the degree of diversity which currently exists in the metropolitan area, and suggests possible future lines of development. The city grew with development of the petroleum industry, which was stimulated by discovery of the Glen Pool field early in the century. Several major oil companies were founded in Tulsa--Sinclair in 1916 and Skelly in 1919. Several companies, organized elsewhere, such as Cities Service, established offices in the city. For this and related reasons, Tulsans considered their city the oil capital of the world until many companies moved to Houston. The refining of petroleum and the manufacture of equipment for the petroleum industry became and remain important components of the Tulsa economy. In 1970, more than 860 oil and oil related companies, with a labor force in excess of 29,000 persons, were located in the Tulsa metropolis.⁶

The aircraft industry became important with establishment in 1941 of a huge facility for the manufacture of bombers. This sector of the economy received additional impetus when American Airlines, in 1947, established a large maintenance facility at the Tulsa airport. By 1975, this facility employed close to 5,000 persons and had an annual payroll of \$100 million.

The maintenance center was valued at a quarter of a billion dollars and \$6 million is spent locally for supplied and material⁷. McDonnell-Douglas continues to operate a plant in the city as does Rockwell International.

These two components, petroleum and aircraft manufacture and maintenance receive considerable support from the many plants throughout the metropolitan area engaged in the manufacture of equipment and refinery and of various types of measuring devices, for example, are important parts of the area economy; one component of the manufacture of equipment for heat exchanges. Tulsa has many companies, large and small, engaged in the production of equipment regulating the transfer of heat, both for heating and cooling. It has become known as the heat exchanger capital of the country. A number of companies do a substantial overseas business in the Middle East, Asia Minor and the Pacific. Since some of the equipment is large and heavy and suitable for large transportation, several companies have established operations recently at the port.

Central office activities were stimulated by other needs of the petroleum industry. These include the publication of various industry periodicals and the processing and storage of information concerning geological conditions in various areas of the world. A number of companies--Shell, Skelly, Sun and Cities Service--Established facilities for processing "information on nationwide customer credit card purchases" for data processing, led in the sixties and seventies to further development of this type of function when American Airlines established a central ticket reservation center; Metropolitan Life opened one of three regional centers, and Avis moved its reservation facilities to Tulsa in 1975. The community also has computer capabilities for payroll accounting and scientific data processing. Southwestern Bell provides the facilities and labor force required for using long distance lines for data processing⁸.

The economy's specialization in petroleum and later in data processing contributed to the location in Tulsa of a small but significant number of companies with national and regional office functions. Those with national headquarters in Tulsa including the Williams Companies, Reading and Bates, MAPCO, Parker Drilling, Cities Service and Skelly Oil Company. Companies with regional office activities include Metropolitan Life, American Airlines, Avis, and many of the oil companies. The headquarters functions of the Tulsa economy have been further strengthened by the location of the central offices of various associations, such as the Junior Chamber of Commerce, Boy Scouts of America, and Blue Cross-Blue Shield.

The location of these economic and associational headquarters functions in the Tulsa area suggests the presence in the community of a diversity of organizations providing services required by the life style of managerial and professional employees and members of their families. Educational opportunities are especially important. Higher education is represented by two private universities--The University of Tulsa and Oral Roberts

University established in 1907 and 1965, respectively. The latter recently added two professional schools in law and medicine, and an osteopathic college also is located in the community. A local junior college has expanded rapidly in the past few years. Education has at least one major deficiency: the state's system of higher education does not have an institution in the community. Efforts to rectify this situation resulted in the recent establishment of a Tulsa branch of the University of Oklahoma medical school.

The presence of several institutions of higher learning and the headquarters functions of many corporations strengthens the middle class. The importance of the middle class is indicated by data on income, education and occupation. In 1970, the per capita income in Tulsa County exceeded that for the United States--\$4,521 and \$4,157, respectively--a difference of almost 9 percent.⁹ Per capita annual income for 1974 in the Tulsa SMSA was \$5,271 and the metropolis ranked 127 in the nation, compared to 146 for Little Rock and 169 for Oklahoma City. Per capita income for the latter was slightly below \$5,000.¹⁰ The median number of years of school completed for residents of Tulsa, in 1970, 12.5, was the highest of any city in the state. Tulsa and Oklahoma Counties both had a median of 12.4 while that for Oklahoma was 12.1.¹¹

Development of the navigation system also boosted the tourist industry in Tulsa. The Green Country area in which Tulsa is located (which includes 24 counties in eastern Oklahoma) possesses 20 reservoirs, 67 lakes and 3,695 shoreline miles for recreational activities.¹² The area also has numerous facilities for camping, picnicking, hiking, swimming, boating and fishing. The Chamber has sought to capitalize on these assets by providing the tourist with a number of "tours" of Green Country which can be taken from Tulsa. An aggressive promotion of Tulsa for conventions also has been underway for a number of years. A recent study estimated that in 1975, visitors spent almost 172 million dollars in the Tulsa area, a 12 percent increase over the figure for 1974. The tourist trade also accounts for 1,200 jobs in the Tulsa area.¹³

While the Tulsa economy is specialized in a few areas of manufacturing, a variety of central office activities and a healthy tourist trade provide a substantial measure of diversity. The presence of numerous national and regional offices of major corporations, along with the institutions serving the local market--banks, savings and loan associations, utility companies, retail and wholesale concerns, and professional services--provide a large population of experienced executives, many of whom have a broad experience in national and international activities. These are men who are skilled in solving problems and in moving organizations toward their goals. The economic base of Tulsa is a major factor in the community's leadership structure.

Leadership Traditions and Style

The presence in the Tulsa area of the types of organizations staffed by experienced and highly able managers does not by itself account for some of the policies and actions of community leaders. A tradition of leadership behavior has developed over the years and continues to influence the way in which the current leaders define and respond to various problem areas. This tradition owes much to the prominent influence of the petroleum industry in the development and current operations of the city.

Tulsa developed initially as a "boom town," growing with the oil industry in Oklahoma and elsewhere. This circumstance influenced the current generation of community leaders in several ways. First, families which had earned millions from the petroleum industry have been among, if not the wealthiest, in the Tulsa area for many years. By virtue of the uncertainties involved in exploration for oil, the large risks which had to be taken, these men could not be obsessed with the fear of heavy losses. They had to have the "nerve" of professional gamblers; to some extent, they had to be plungers. The necessity to invest huge sums of money on undertakings which were risky and where the probability of failure was considerable, led to certain attitudes or "philosophy" that were carried over to community endeavors. The numerous stories told and retold which comprise the leadership tradition of Tulsa, exemplify these viewpoints and actions. They crystallize to some extent in the stories of how "studhorse notes" were used to accomplish certain projects. This technique represented a once popular method of financing certain local improvements, requiring sizeable amounts of capital. A group of wealthy men pledged personal wealth as collateral for bank loans for a community project. The "studhorse notes" were used, for example, in 1928 as the method whereby W. G. Skelly, then Chamber of Commerce President, and more than 40 other local leaders purchased land for development of an airport. This method enabled work on the airport to move ahead rapidly. Two years later the citizenry approved a bond issue for reimbursing the underwriters and the city gained control of the airport.¹⁴ This technique of financing, whereby a handful of wealthy men used their personal wealth as collateral for loans for capital investment projects for the community had the advantage of enabling work to be started quickly and speeding up the time required for completion. A number of projects were financed in this manner, such as development of Mohawk Park, indicating in part the willingness of these wealthy men to assume the element of risk and their belief in the future of the community. As the city grew and the number and magnitude of capital improvement projects increased, this method ceased to be feasible. However, a few of these "studhorse notes" still were outstanding in the late sixties.

Boldness and daring were evident in the actions of leaders in the early days of the community and played an important if not decisive role in the growth of Tulsa as a major metropolis. Efforts were made in the early years of the century to obtain transportation facilities which later were to prove critical in making the city a center for the oil industry. In 1903, members

of the Tulsa Commercial Club, forerunner of the Chamber of Commerce, raised the funds and obtained land for the right-of-ways essential for persuading officers of the Katy Railroad to come through rather than bypass Tulsa to the north. Similar persuasive efforts were successful with three other railroads that also changed their planned routes and came to Tulsa.¹⁵ The second major transportation facility concerned construction of a toll bridge across the Arkansas in 1904 by three Tulsa men who used private resources. This bridge and the rail facilities enabled the oil workers and the developers of the fields to commute to work from downtown. One account of Tulsa's development stated the matter thusly:

...Other towns were closer to the field itself, but the oilmen had grown to like the good hotels and the friendly people of Tulsa. And with the bridge across the river and the special trains to the oil fields, they could easily live and office in Tulsa while developing their interests in the Glenn Pool area.¹⁶

These transportation developments enabled the city to overcome the disadvantage of being less accessible than other towns to the oil fields then under development and to become a center of the infant petroleum industry for eastern Oklahoma. Such a beginning led to the additions to the economy discussed above.

In more recent years this type of boldness was evident in the construction of the turnpike to Muskogee and the acquisition of the national office of the Junior Chamber of Commerce. In the case of the former, a negative report on the fiscal soundness of the turnpike made by the Chamber consultant, was ignored when Mr. Skelly responded with the suggestion that the man be fired and the turnpike be built. The leadership of the community had confidence in their judgment of the need for and feasibility of the highway pike sufficient to disregard the expert's recommendation. Time was to prove the soundness of this decision.

In 1946, leaders of the Junior Chamber of Commerce suggested that an effort be made to have the national organization establish headquarters in Tulsa. Senior Chamber directors authorized the younger men to make such an effort and to make available \$50,000 to attract the facility to the community. At the national meeting where this matter was to be decided, five other cities also offered \$50,000 toward construction of the national headquarters. Believing that leaders who were accustomed to writing "studhorse notes" to get things done would approve the action, the Tulsa representatives upped the offer to \$100,000.¹⁷ Several directors of the senior Chamber raised the additional funds and praised the Jaycees for their actions. The Jaycee's headquarters came to Tulsa in 1947. Tulsa will serve as the host city for the Ten Most Outstanding Young Men Awards Program for 1978 through 1980.

These events in the history of Tulsa suggest certain key elements of the "culture of leadership," or the practices considered meritorious which have been handed down from one generation to the next. These include involvement of wealthy men in the affairs and concerns of the community, the ability to and preference for carrying out ambitious, large-scale programs and projects, the willingness to accept sizeable uncertainty in the outcome and the

possibility of serious losses of both capital and time, and great respect for the men and women who in this manner helped "build" the community. It is perhaps close to the truth to suggest that many of these men and women derived great satisfaction from the contributions which they had made to community development. Needless to say, each of these elements was manifest in the effort sustained for more than 30 years to obtain construction of the navigation system, and in the "balanced growth" plan for future urban development.

The contribution of wealthy families to the community was evident in the large donations made to a number of institutions. Waite Phillips, founder of the petroleum company, gave his home for use as an art center, an office building to the Boy Scouts of America, a building to the University of Tulsa and a clinic to a hospital.¹⁸ The Warren Foundation gave \$40 million for establishing St. Francis Hospital. The Chapman family gave generously to the University of Tulsa and more recently, over \$3 million for the Center of Performing Arts. The Skelly family also has been a major financial supporter of the University of Tulsa. The Gilcrease family contributed the famous historical and art collection to the city. The LaFortune family was a principal financial supporter of the city's parks and recreation areas. Many other families also gave generously to museums, hospitals, the university and other community projects.

The ability of these families to contribute generously to various local institutions undoubtedly owes much to the fact that the fortunes were acquired during an era when income taxes were low. In some cases, the contribution may have had some important tangible benefit for the donor, such as a large tax deduction or enabling the donor to gain benefits through the operation of one of his businesses. Skelly, for example, who was a major promoter of the airport, also was a founder of a commercial airline that used the city's facility. While the contributions made by some of the above mentioned families may have brought certain material benefits, the fact remains that the contribution was made to provide or improve a valuable community facility, one that served a broad cross-section of the population. These men and women thereby helped found and sustain the tradition of personal responsibility for and involvement in the affairs of the community. These wealthy and prestigious families, representing the upper class, established early a tradition of commitment to and involvement in local affairs that has been emulated by many other men and women over the years. This tradition included a propensity for boldness in supporting projects, a tendency manifest in plans for developing the port, the central business district, and for modifying the spatial organization of the metropolis.

Leadership Organization

Implementation of bold plans requires an effective organizational apparatus. The central elements of this apparatus consisted of private organizations, government agencies, quasi-public bodies, the Chamber of Commerce and the links connecting these units. Important changes also have occurred in recent years in the creation of organizations to carry out important functions connected with development. These include an organization to publicize the advantages and promote business in the Tulsa area, a trust authority to assist in financing enterprises, an association to assist local concerns engaged in foreign trade, the port authority and a corresponding trust agency, an agency to develop the river front park and an agency for downtown development. In addition to establishment of new organizations, important changes were made in the Chamber of Commerce with a view toward increasing effectiveness.

The mayor is a key figure in the coordination of activities and policies between the private and public sectors. This circumstance derives not only from appointive powers but also, in the case of the current incumbent, from family background. Mayor Robert LaFortune, elected to a fourth term in the Spring of 1976 is a member of a prominent Tulsan oil family which has been generous in its gifts to the city, especially for park development. Mayor LaFortune thereby links city government with Tulsa's upper class and with many leaders of the energy industry. Of equal, if not more, importance the mayor can directly coordinate the activities of various government agencies with some of those mentioned above by his appointive powers and direct participation. The mayor appoints the members of two of the quasi-public agencies established to promote economic growth--the Economic Development Commission and the Tulsa Industrial Authority--and the six city members of the port authority. The mayor and the finance commissioner also serve as ex officio trustees of the former two organizations. The mayor's selection of Marvin Wynn as chairman of the growth strategy task force further strengthened the links between city government and associations active in community development. Wynn occupies several positions strategic for economic development. Consequently, he is well informed on the available sites and the local agencies capable of providing assistance. He and the mayor are strategically situated to coordinate the policies and effort of public and private agencies. He serves as manager of the Economic Development Division of the Chamber of Commerce, as secretary-treasurer of the Tulsa Industrial Authority, and coordinator of the E.D.C. Clyde Cole, executive vice president of the Chamber also has several overlapping positions--as director of the E.D.C. and trustee of the Tulsa Industrial Authority. The close interaction of these organizations in the public and private sector is suggested also by the fact that the balanced growth concept first was developed and adopted by government agencies strongly supported by Mayor LaFortune and then endorsed by the Chamber of Commerce. Implementation, as indicated below, rests with both agencies of the Chamber and local government.

Three people, one the highest elected official in the city and the other two as Chamber executives, hold positions which interlock agencies concerned with economic development. In addition, there are a handful of corporate executives who serve on the boards of one or more of these

development agencies and of the port authority, such as top officers of four different banks and the vice-president of a utility company. Several directors of the port authority or its trust agency also serve as directors of a development agency. These half dozen men with overlapping positions in key organizations, along with the mayor and the key staff people of the Chamber, more or less represent the core personnel developing and carrying out the community's growth policy. Several of these men also hold important positions in state and national organizations concerned with water resources.

Ties between government and the Chamber are symbolized by the policy whereby the city commissioners possess status as ex officio members and are entitled to attend meetings of the Chamber's Board of Directors. While most are too busy to do so on a regular basis, existence of this arrangement signifies a belief in the importance of frequent communication and areas of agreement between Chamber leaders and members of the city's governing body. In some instances, the commissioners previously had served as officers of the Chamber and as committee chairmen.

Changes in Organizational Apparatus

Construction of the waterway, which greatly increased the confidence of business leadership in the economic future of the city, also contributed to the creation of various organizations intended to perform specific functions to actualize those expectations. While it is difficult to estimate precisely the contribution of the waterway in this regard, the formation of these organizations and certain important changes in the Chamber occurred within a three or four year time span at about the time the waterway was completed. This suggests that the waterway gave impetus to efforts at expanding industry and population. The renewed interest in this objective led to a reexamination of the existing organizational equipment which was judged deficient in various respects.

The changes were part of a development plan prepared by the Chamber of Commerce in 1966 to "Develop Area Resources and Economy for the 70s."¹⁹ This action plan included establishment of Tulsa as a port city and industrial growth, improved highways and access roads to the port area. Development of the Economic Development Commission and the Tulsa Industrial Authority were viewed as contributing to the attainment of these objectives.

Tulsa at the time had one organization responsible for industrial development--Industries for Tulsa, Inc.,--created in the fifties, serving mainly to acquire land and develop the property for industrial users. The organization developed some years ago a 320-acre industrial park in south-east Tulsa. The park is now completely occupied. The agency also purchased land for industrial users along the Verdigris River near the port.

Two recent actions by the agency indicates the close cooperative relationship between the city government and business groups. In 1973 and 1974 it assisted the city's development corporation to develop 60 acres for an industrial park in the model cities area on the north side. Several firms have initiated operations in the park. The second area of cooperation concerned the construction of an interceptor sewer to serve the glass making plant for Ford Motor Company and adjoining property near the Broken Arrow Expressway. To avoid a bond issue election and to build the line quickly, ITI directors agreed to finance the undertaking which was completed in 1974. City government, in turn, collected fees from the users and repaid ITI.

With renewed interest in development, certain activities would be helpful that were not within the province of the ITI. One concerned financial assistance to firms interested in establishing operations in an industrial park and the other to interest firms all over the country and acquaint them with the advantages of establishing an office or plant in the Tulsa area. Both were established in 1969, about a year before the port was opened.

The Tulsa Industrial Authority is managed by the Chamber's Economic Development Division and headed by Marvin Wynn and is an Oklahoma trust authorized to borrow money from private lenders with tax exempt status of a governmental agency. It was designed originally to assist businesses in the Tulsa area through lease arrangements to acquire plants, equipment and other facilities. Its authority was later extended to such community facilities as health, recreation, public transit and improvement of the central business district. In recent years the Authority has become more involved in community projects while continuing to assist various industries and businesses.

The Economic Development Commission was established to publicize throughout the United States and abroad, the advantages of the Tulsa area for business operations. The agency was established by the City Commissioners and has a board of 18 members appointed by the mayor with the approval of the Board of Commissioners. The city also adopted a 3 percent tax on motel and hotel rooms, with 2 percent going to the EDC and the remainder to the city. This arrangement had the advantage of increasing funds for the EDC as inflation increased the cost of hotel rooms and bookings increased. By the mid-fifties, the EDC had a budget of close to \$300,000. Most of the funds were used for promotional activities, including the employment of a New York public relations firm. An advertising campaign was developed and ads placed in business and trade periodicals and in regional publications such as Southern Living. Publications also were developed for audiences in foreign countries. On occasion, the EDC helped pay the expenses for trips to recruit industry.

An organization was established by the Chamber in 1971 to assist companies engaged in foreign trade--the Tulsa World Trade Association. In 1976 the Association had a membership of close to 100 persons and firms who met monthly to discuss relevant matters and listen to guest

speakers.²⁰ The Association whose activities also are managed by the Chamber's economic development division created a data bank concerned with various aspects of foreign trade; in particular, countries available to all members. The Association also has been a booster of a foreign trade zone at the port and a state office overseas to promote international commerce and to aid in the recruitment of foreign firms.

This growing interest in overseas economic activity, which is closely and directly connected to the port and the navigation system, is manifest also by establishment of international trade departments by the Bank of Oklahoma and the First National Bank and Trust. While the departments are small in terms of number of employees, they have been profitable. The departments enable the banks to be relatively independent of correspondent banks for many services local firms need for doing business overseas. The departments also signify the improvement of services in Tulsa for export industries and the prospect of further growth as this component of the local economy gains in volume. At least one other downtown bank is watching this area closely, ready to establish its department when the time is considered propitious.

Some important changes also took place in the organization of the Chamber in the early seventies. These included a change in emphasis, structure, and in choosing persons as directors and officers. These changes were designed to make the Chamber more effective in achieving its objectives. Less emphasis was placed on "boosterism," on emphasizing the advantages of the community while minimizing, at least publically, its shortcomings. The various rituals for celebrating the business community were downplayed, such as ribbon cutting ceremonies on the day that firms begin a new operation in the community and various "salutes" to industry. The Chamber increased its concern with tough local problems and took stands on controversial issues such as the charter election to modify the commissioner form of government, school integration, and liquor by the glass, to name a few. Of even greater importance, the practice of relying on standing committees to do the work of the organization was abandoned in favor of the task force concept. This change was adopted at the same time in the early seventies that a major effort was made to place the top executives, rather than second or third level men on the Chamber's Board of Directors. These men would be more interested in the Chamber if they had the opportunity to make progress in dealing with important matters. The task force concept was intended to mobilize top personnel for this purpose. Task forces were established to study and recommend changes on matters considered important. Standing committees which had little or nothing to do were abolished. Hence, the committee structure of the Chamber became much more flexible. Under this arrangement, a committee would remain active until a problem or series of problems were handled properly. Members could see the progress which had been made. Once the goals had been achieved, the committee was replaced by a task force concerned with other matters. The Chamber also has been successful in involving the chairmen and presidents of major Tulsa enterprises--oil, utility, manufacturing, transportation companies, the newspapers, financial institutions, and various retail firms. In recent years, the elected Chamber offices and most directorships have been held by the city's business elite.

Tulsa's growth apparatus represented an interrelated set of organizations, public, quasi-public and private, held together for the most part by close relationships between the mayor's office, the Chamber of Commerce and by a handful of leaders who held positions in several of these agencies. The development of this apparatus spurted in the late sixties when it became obvious that the waterway soon would be completed. This proliferation of organizations and the changes in the Chamber of Commerce were intended, in part, to take advantage of the waterway to promote economic development. The leaders gained renewed confidence in the future of the community, as signified by an increased commitment to participate in the voluntary associations which would make that growth possible.

TULSA'S PORT OF CATOOSA

In the thirties and forties the port and the navigation system were expected to play a vital role in the growth of the Tulsa economy. This expectation accounts for the great effort which Tulsa area leaders made over the years to obtain the waterway and for subsequent decisions concerning port development. Waterway leaders had little hesitation about locating the port on the Verdigris River outside the county in which the city is situated, and to ask Tulsa residents to approve a large bond issue for a facility in another governmental entity. Administrative responsibility had to be shared between three appointees from Rogers County and six from Tulsa. City voters, however, approved two bond issues for port development totaling \$20 million and residents of Rogers County approved a bond issue for \$1.5 million. The E.D.A. provided funds for railroad spurs. This public investment is considerable as:

...About twice as much public money has gone into the development of the Tulsa Port of Catoosa as into the other four public ports taken together....²¹

The public funds spent for the port led to private investment by 1976 of considerably more than \$40 million. One dollar of public investment stimulated more than two dollars of private investment and the ratio should increase in the next few years.

In the six years that the port has been open, investment has grown to approximately \$65 million, employment to 700 persons, and the latter could reach 1,000 by the end of 1977 with investments climbing to \$70 million. The port authority was operating in the black as early as 1974 and by 1975 annual earnings had reached \$175,000.

Development of the port appears to have been closely tied to the Tulsa area economy and to the grain producing areas of Oklahoma and adjacent states. Steel for use in metal fabrication and heat exchanger companies has been the largest import on the water, followed by fertilizer; grain and petroleum have been the major outgoing items. The growth in employment at the port in the past two or three years derives largely from companies developing facilities for various types of metal fabrication.

Efforts to measure the impact of the waterway on the Tulsa area economy are frustrated by the magnitude of area employment and volume of goods produced. The relative impact of 700 jobs and of the goods produced at the port represents a small fraction of overall area activity. One other circumstance must be considered which is difficult to measure. It concerns the impact of reduced freight rates for the steel and other metals imported for use by the area's metal industries, for oil drilling and refinery equipment, by the area's metal industries, for oil drilling and refinery equipment, pipelines, in the manufacture of measuring instruments and heat exchangers. The reduction in rail rates may have been as much as 50 percent below those in force prior to competition from the waterway. Manufacturers saved tens of thousands of dollars in operating costs and thereby became more competitive. These benefits made the Tulsa economy more viable and explains, in part, the boost in confidence among local business leaders once it became evident that the waterway soon would be completed. The growth in confidence was manifest in the middle and late sixties by investment in new construction in the business district. A number of buildings have been identified as products of this renewed confidence in the city's future: the office building for the Fourth National Bank, the Petroleum Building, the Holiday Inn Downtown and the Camelot Inn. They signified the actualization of the plans made in the twenties and thirties by the chief proponents of the waterway of the benefits of the system for the area.

An event was staged early in 1976 that symbolized both the realization of the waterway's contribution to Tulsa's future and the boldness of the city's leadership. To commemorate the fifth birthday of the waterway and the eightieth birthday of Senator John McClellan who played a major role in gaining its construction, Tulsa leaders gave a reception in honor of the Senator in Washington. All members of the Congress were invited and about a third attended, along with representatives of about 20 embassies and about 40 members of the press corps, including those from major newspapers and magazines. President Ford made a brief appearance and praised the Senator's record of public service. Approximately 50 Tulsa leaders went to Washington. Mayor LaFortune presented the Senator with a harbor master's hat and a certificate of appreciation.

The event signified more than a public relations activity by the Tulsa Chamber of Commerce. Considerable time and money were invested in this activity as careful and detailed planning were essential for success. At the same time, no other port city along the Arkansas River made the effort to dramatize the existence of the waterway and to honor the men who led the struggle to have it built. The initiative was taken by Tulsa leaders although the man honored was not their state's senator and the waterway ran through a third of Oklahoma in contrast to the whole of Arkansas. The effort by Tulsa leadership signifies the existence of a consensus on the importance of the waterway for the area economy and the expectation that the benefits will increase with the passage of time. The event also signified the ability of Tulsa's leadership to generate ideas on ways to advance the community and to provide the necessary resources for implementation.

Organization of the Port Authority

Management of the port was centralized in a public agency and responsibility for various operations was delegated to a few private firms. This arrangement had several advantages. Staff members could concentrate on development of the port, on recruiting new tenants and improving port facilities. Day-to-day operation was in the hands of the firms responsible for the grain elevator, the dry and bulk facilities, stevedoring and port security. At the same time, management of the port was not delegated to a private agency, as in the case of Muskogee, but remained with the public agency, which in turn was responsible to the authority's board of directors. This arrangement avoided the division of responsibility for management and port development characteristic of Muskogee. Finder's fees did not have to be paid to the firm operating the port.

Management included a port director, deputy director and a third man responsible for industrial development. As in the case of Little Rock, the director was a former officer of the Corps of Engineers; he had served in the Tulsa office prior to retirement. COL Ladd had excellent contacts and presumably maintained cooperative relations with Corps of Engineer personnel. He also had a thorough knowledge of the navigation system. If there is a weakness to use of retired Corps of Engineers officers as port directors, it may consist of greater familiarity with the engineering than with the transportation and commercial aspects of the navigation system.

Relations with other key agencies of the city generally have been supportive. In 1962, before the establishment of the port authority, the Chamber financed trips to several ports to assist in planning a port in Tulsa.²² When the port authority was established in 1963 long before the waterway had been completed, it lacked funds and office space. Industries for Tulsa, Inc. provided \$25,000 and the Chamber provided the offices. Both the Economic Development Commission and the Tulsa World Trade Association included the port and the navigation system in their promotional and public relations activities. The city's business leaders and the Chamber of Commerce have never rejected a reasonable request for money from the port's management. As one port executive put it, "the people in Tulsa never hesitate to do things." There was little or no evidence of rivalry and friction between the agencies seeking new industry for the area and the recruitment efforts by port personnel. Chamber staff people were anxious that all elements of the area economy receive proper emphasis while the port's staff were oriented mainly toward industry that could use navigation. On occasion, each group felt the other was somewhat limited in its view but differences were not serious.

The major difficulties experienced in developing the port pertain to decisions on the addition of various facilities and the reluctance of the railroads to build spurs. Facilities for handling grain were not available until 1974; the port's directors initially believed that grain would not move through the port. More than eight million bushels were processed during the first year, far exceeding expectations, creating a need for capacity to be added to the 300,000 bushel facility. Construction of an

additional 500,000 bushels capacity began in the middle of 1976. Had the facility been available when the port opened, the traffic in grain probably would have been more advanced.

Contrary to the expectations of port management, neither the Frisco nor the Santa Fe Railroads built spurs at the port. These lines were financed partly by revenue bonds and partly by a grant from the Economic Development Administration. Nevertheless, the railroads did not seem eager to serve the port and considerable effort was required to gain this service.

Over the years activities at the port and its facilities seem to have become more closely integrated with the economy of the metropolis and with the grain producing areas of Oklahoma and adjacent states. The expansion of metal fabrication and the heat exchanger industry in Tulsa has led to an increase in these activities at the port. Steel decoiling facilities and warehouse space have been added, permitting companies to establish manufacturing operations at the port concerned with equipment for heat transfer, material handling and large diameter pipes. The port also has been handling an increasing volume of refinery products, especially fuel oil. The rapid growth in grain traffic may reflect the port's position at the end of the navigation system. Hence, it benefits from proximity to grain producing areas in west Oklahoma and in the states to the north. Tulsa also benefits from the fact that the port, unlike several others along the waterway, does not have competition from private ports in the immediate vicinity. Fertilizer also has been an important import, ranking second in volume to steel. The Agrico Division of The Williams Companies imports fertilizer by barge, bags it and redistributes it by rail and truck. Development of containerized shipments should provide a substantial boost to port activity in the years ahead.

Developments at the port in the six years that it has been in operation justify the faith in the navigation system held by the men who led the fight for construction. This has been due to several factors. First, development of the port has benefited the Tulsa economy. Those fabricators who could use water transportation could establish manufacturing operations at the port, while those unable to do so still would benefit from reductions in freight rates. Second, availability of a port and water transportation and the publicity about these resources helped make Tulsa more visible and conveyed a sense of its dynamic qualities. In promoting the port, the city also has been boosted. Third, development of the port has not been divisive or a major source of conflict. Few, if any, organized interests in the community have been hurt by the investment of public resources in the port. This has been due partly to an organizational apparatus for administering the port that concentrated responsibility in one agency, and avoided the division that plagued Muskogee. Fourth, the relatively rapid development of the port has provided sizeable and visible payoffs for supporters of the navigation system. This has justified the close support which the port authority has received over the years from the Chamber of Commerce, various development agencies, the City Commissioners and from the voters. Fifth, the port also has an important role to play in the city's plan for controlling economic and population growth.

THE PLAN FOR BALANCED GROWTH

As indicated earlier, the Tulsa area has grown steadily in population and industry since its founding early in the century except for the depression decade. As the area population now exceeds half a million, one might expect increasing emphasis on stability and conservation. For various reasons, this has not occurred. First, there is an awareness of the decline of the northeast and some areas of the midwest, and the growth potential of the southwest, leading to the conclusion that more expansion can be achieved. Second, if true, some measure of growth is required merely to maintain relative standing with other growing cities, especially Oklahoma City, Fort Smith and Little Rock. Third, and perhaps most important of all, many of the city's leaders harbor the dream that Tulsa someday could become a major headquarters city for the southwest, rivaling Dallas-Fort Worth. While none of the respondents explicitly expressed this opinion, it seemed to lie behind the frequent statements on the city's capabilities for central office activities, the ambitious plan for upgrading the downtown business district and for making better use of the Arkansas River as a local resource.

These goals have been tied together in the plan for balanced community growth. Since the early fifties, various local leaders and organizations seem to have had some commitment to the idea of balanced growth. For a time the aspect that received the most attention concerned "balance" between the various components of the economy. In interviewing various leaders in the fall of 1975, considerable emphasis was placed on the idea that the city should not be overdependent on any one segment of the local economy. The concept of balanced growth meant diversity of function and "even handedness" in evaluating the importance of each segment--heat exchangers, aerospace, metal fabrication, central office activity, convention and tourist trade, etc. Great pride was manifest in the acquisitions of central offices of American Airlines, Metropolitan Life and Avis. The desire for additional central office growth was strong.

By spring, 1976, the meaning of "balance" had shifted in emphasis to the spatial organization of the city and increased growth of manufacturing. This was not a sudden change but represented a growing concern for the imbalances which past growth had created for several decades.

Tulsa faces problems which are occurring and will continue to take place in many communities along the Arkansas River. These problems derive in part from the barriers caused by the Arkansas River or its tributaries to the establishment of the traditional circular or symmetrical pattern of spatial organization. Fort Smith possibly represents a severe example of skewed growth since the river hems in the city on all sides of the northern part of the community. Since the city of Van Buren is located across from Fort Smith, growth of the latter occurs away from the river and therefore away from the central business district and adjoining areas. With growth, the central business district becomes increasingly skewed in terms of location; the cost of traveling to and from the area for all inhabitants likewise goes up, causing a decline in business activity, land values, tax

revenues and hastening the rate of physical decline. Once decay sets in, it spreads to adjoining residential areas, accelerating the process of growth at the periphery, thereby aggravating the situation. These problems have become serious for Tulsa and Little Rock.

The Arkansas River is not the sole factor responsible for the fact that the geographic center of the Tulsa metropolis is about six miles to the southeast of the present central business district. The long-term trend toward southeastern growth and abandonment of areas north of the central business district are due to a combination of factors, topographical, legal and cultural.

Northwest and southwest Tulsa has "relatively steep and rough topography" which considerably increases construction costs. Areas to the north also are subject to extensive flooding from Bird Creek which cuts across much of North Tulsa and empties into the Verdigris near the port, and Mingo Creek which runs north from an area several miles east of the downtown business district. Five floods occurred in one six-year period, including four in 1974.²⁵ The seriousness of flooding is also indicated by the fact that,

Half the Federal flood insurance claims paid out during the first six months of 1976 for the entire U.S. were paid to Tulsa, notwithstanding disasters in Houston and that dam that broke in Idaho....²⁶

These circumstances alone would make the north unattractive for residential development if better alternatives were available. Since most areas to the south and southeast do not have the problems of the northern areas, costs of construction are considerably less. In addition, the south early acquired the reputation for prestigious housing due to the location of the mansions of the wealthy families on South Boston and other areas south of the central business district. In subsequent years, the location of the University of Tulsa and Oral Roberts University in the southeastern area solidified this reputation. The location of many of the city's black inhabitants in the areas immediately north of the central business district further strengthened the negative qualities of that section of the city. Identification of Osage County with the Indian population was consistent with the growing cultural stigma of the north and desirability of the southern half of the urban area. The Indians of Osage County, as a tribe, also had mineral rights to the land in the county which discouraged residential and other forms of development. Prejudice against Indians and doubts over the adequacy of county government controlled by the "cowboys in Pawhuska," added to the stigma created by differences between blacks and whites. As one respondent put it, the residents of Tulsa developed a "strong right side of the track complex." The final factor influencing development was the location of refineries along the west bank of the Arkansas River, which created difficulties for developing that area of the metropolis.

Despite these factors which contributed to the rapid expansion of Tulsa to the south and southeast, The Williams Companies planned and is carrying out a \$200 million development that extends the district several blocks to the north, away from the principal growth areas of the metropolis. This commitment converted the long-term pattern of spatial development into one of the city's most important issues and has contributed to the discussion over and development of a plan for "balanced growth."

Continuation of past trends and flight from areas north of and growth in areas to the southeast of the central business district can have serious consequences for the central business district and for the city. The "glamour and glitter" and retail functions of the c.b.d. have been declining for a number of years. Retail sales in the c.b.d. have been falling steadily as a proportion of total sales in the city and currently stand at less than 10 percent. The "glamour and glitter" function seem miniscule as many restaurants close after lunch, few department stores serve the area, and opportunities for "night life" consist mainly of a movie house specializing in X-rated films. By six p.m., the employees have left and the district is deserted. If current trends continue, one can expect continued slippage in retail sales, an extension of enterprises catering to salacious tastes in sex, and an increase in crime. These developments will threaten the major function of the c.b.d., a locale for the administrative headquarters of the major banks, utility and petroleum companies and other corporate entities, including the Corps of Engineers. If massage parlors and porno movie houses increase and creep closer to the major office buildings, headquarter functions will move elsewhere. Downtown real estate and office space will decline precipitously in value and in the tax revenue provided the city treasury. The goal of becoming a regional headquarters metropolis will be impossible to attain.

The plan for balanced growth integrates the goal of additional industrial and population growth with the effort to enlarge the functional scope, property values and imageability of the central business district. Tulsa's image as a dynamic and vibrant business community is at stake. This involves architectural and aesthetic factors along with economic factors. The development plan attempts to change the overall pattern so that the c.b.d. will be the most accessible business district in the area. To accomplish this end, an effort will be made to increase industrial employment and to encourage employees and their families to find housing in areas north of the c.b.d. rather than join the movement to the southeast. At the same time, various changes will be made in the c.b.d. to improve its "drawing power." These improvements will be integrated with development of a park along the Arkansas River close to the civic center complex in the southwest corner of the business district. This development, which will provide recreational, dining and cultural facilities, will enhance the aesthetic qualities of the downtown area and make it more attractive as a place to live. An effort also will be made to induce people to move into the high rise apartment buildings contemplated for construction near the c.b.d. If this succeeds, the market in the downtown's retail services will have been strengthened.

The Williams Companies and the Tulsa city government participated in development and implementation of an ambitious plan to convert a nine square block area at the northern edge of the business district into an office and cultural and retailing center at a cost of approximately \$200 million. A 52-story office tower, the tallest building in Tulsa, has been completed. It houses both the Bank of Oklahoma and The Williams Companies. Nearby the Center for the Performing Arts has been built at a cost of \$18 million. A bond issue provided \$7 million and the remainder came from private citizens, including one gift of \$3.5 million from a wealthy oil family. The Center has facilities for drama, symphony, opera and dance performances. The Center will have a 2,400 seat music hall, a 450 seat theater and two smaller theaters. The plan also calls for construction of a 12-story, 400 room hotel, several parking garages and a retail complex.

Development of this office, cultural, and retail center has encouraged other improvements in the central business district which should make it more competitive relative to the newer suburban shopping centers. These include construction of a pedestrian mall from The Williams Center south on Main Street and west on Fifth to the civic center complex, where offices of city, county and state government, the library and assembly center are located. These throughfares will be pedestrian malls, which will include such features as

...lighting, benches, telephone booths, drinking fountains, extensive landscaping, a self-service postal center and a large multi-level fountain at the intersection of Fifth and Main Streets.²⁹

The pedestrian system which should be completed by spring 1978, also makes the central business district and its principal units more accessible to and reinforced by the work underway to develop a riverfront park on both sides of the river and construction of a marina, waterfront restaurant, museum, planetarium, amphitheater and facilities for recreational activities. Given the spatial proximity of this area to the c.b.d., use of each should be increased by those visiting the other.

Development of the riverfront park is a major change in the relationship between the city and the Arkansas River. The area to be converted to the park is not scenic, as the river often is a trickle when the weather has been warm. Little use has been made of this area by inhabitants of Tulsa. The development uses the river to attract people to the recreational and cultural facilities of the park. While relatively few people in the Tulsa area participate in the activities of the port, a far greater proportion will take advantage of the park. The Arkansas River will play a direct and satisfying role in the lives of tens of thousands of Tulsa natives, and it will serve also as a tourist attraction. Development of the park also changes the physical design of the city by making the river in the park area more prominent and visible in relation to the office towers in the c.b.d. which signify the city's economic and administrative functions. The relation of the two also should be much clearer to inhabitants of the metropolis. The pedestrian mall, both physically and symbolically, integrates the river into the life of the community, which in part is manifest by the office tower and performing arts center in the Williams complex.

The Balanced Growth Plan

While these changes are bold in terms of the magnitude of funds invested in the construction and the changes made in both the business district and the river, by far the most daring and uncertain aspect of the plan concerns the effort to curtail growth to the southeast, redirect it northward and thereby overcome the traditional stigma of the north as an area inhabited by groups considered socially inferior. It often is far easier to carry out physical changes than to alter the ideas which people long have held on the prestige of various groups and of neighborhoods in which these people reside. Before considering the key factors intended to bring about the desired changes, the genesis of the "balanced growth plan" needs to be discussed.

A commitment to the general idea of balanced growth had existed for some years, as far back perhaps as the early fifties. The concept gained new meaning and far greater detail in the early seventies after a study conducted by a consulting firm for the area planning commission indicated the increasing costs of providing services to the ever more distant areas in the southeast and the costs resulting from disinvestment in the areas immediately north of the business district.³⁰ The costs of government for the taxpayer would steadily increase and become burdensome if the trend of development continued. In recent years those changes, contrary to popular belief, were due more to the shift of population to the southeast than to population increase. The liveability of the city and its ability to attract new industry also could be adversely affected. A static or declining industrial tax base combined with an escalation in the costs of government would reduce the quality of municipal services and of public school education.

While major aspects of implementation involve both public and private agencies, the growth plan was also part of and grew out of the Vision 2000 Program, an attempt to involve the citizenry in the preparation of a master plan to update the one developed in the early sixties. Mayor LaFortune, in 1971, initiated the Vision 2000 program to involve citizens in the task of deciding the content of the plan for their areas. The participants considered three alternative designs for the spatial organization of the metropolitan area, continuation of current trends, an effort to redirect growth to the north, and encourage growth in satellite towns and cities. The decision was made to combine the latter two and this was termed "balanced metropolitan growth." It led the area planning commission to adopt in the spring of 1973 a policy statement on growth which also represented the culmination of the report of the planning consultants, consideration by three advisory committees, and at least one public hearing. The statement included the following principles:

Provide a framework within which desirable redirection of growth can be accomplished gradually through a positive system of incentives....

Strengthen the role and image of downtown Tulsa and provide a framework within which the Central Business District can become a truly "central" district;...

Focus attention on deteriorating parts of the city and make it imperative that they be treated promptly;....³¹

The growth policy statement which did not specify how the objectives of balance in the metropolis could be achieved, had the full support of Mayor LaFortune. He ran for a fourth term in the spring of 1976 to carry forward his administration's growth policy. For this purpose he created a growth strategy task force to consider the implications of the policy for education, utilities, transportation, industrial parks and related areas. This committee was chaired by Marvin Wynn, who had great responsibility for and involvement in the economic development of the area due to the complex of positions he held as manager of the Chamber's economic development division and as coordinator of the various development agencies. Wynn therefore would play a vital role in determining the nature of the "incentives" that would stimulate growth in the north. The plan to make the central business district "truly 'central'" would not succeed unless economic and population growth could be redirected.

The major feature was development of the "Cherokee Project." This project calls for acquisition of several thousand acres owned by one family, lying north of Bird Creek and east of the Cherokee Expressway, and developing a 1,200-acre industrial park.³² Utility lines would be extended to the area and sites prepared for large industrial users. It was hoped that these facilities could attract major manufacturers to Tulsa which would increase the rate of population growth. To persuade the workers and members of their families to live near the place of employment would require major improvements in residential areas south of the proposed industrial park, but north of the central business district. Some of these improvements would be the responsibility of the city's urban renewal and community development agencies. The former also would be relied on to purchase the land for the industrial park, which then would be sold to the Tulsa Industrial Authority for development.

The prospect for new residential development in northern Tulsa would be aided by the presence of Gilcrease Hills, an upper middle class housing development northeast of the c.b.d. and the development of land around Skiatook Lake, which is directly north of Gilcrease Hills. Additional housing demand for the north should come also from the growing complex of economic activity at the airport and at the port.

The port's contribution to northward development of the Tulsa metropolis could be substantial although it was a considerable distance from the area of potential residential development. While many of the persons employed presently and in the future at the port would live in Catoosa and other nearby towns, a considerable number easily could commute from north Tulsa. The Cherokee Industrial Park could attract firms using steel imported by barge or plants providing parts and equipment to manufacturers at the port. The development of the port is consistent with and contributes to the effort to make the northern and northwest area of the metropolis a major center of economic and population growth.

The emphasis on "balance" in the growth plan does not do justice to the effort to tie together various segments and interests of the metropolitan area. The plan seeks to strengthen the role of the central business district as a commercial, administrative, cultural and retail center of the metropolis and as the focal area of the city's identity. To accomplish these ends also safeguards the investment which the major property owners have made in the c.b.d., including The Williams Companies. It would hardly be surprising if Mayor LaFortune and the City Commission embraced the concept of balanced growth in part to assist The Williams Companies with their ambitious plan for strengthening the c.b.d.

The emphasis on accelerating the rate of industrial growth is the basis for increasing the market for new housing. While development of Cherokee Park in the far north may be dictated by considerations of availability and price of raw land, it also has the advantage of proximity to the areas of the city to be developed as attractive neighborhoods. In this way growth to the south and southeast will be slowed, and more efficient use will be made of the city's infrastructure, the investment in utility lines, streets, lighting facilities, public schools, police and fire stations. The success of the plan depends on the ability to induce major manufacturers to come to Tulsa and to the Cherokee Industrial Park, and on whether the families of employees will disregard the stigma of a northern residential location in choosing a neighborhood.

CONCLUSION

The substantial investment in development of Tulsa's Port of Catoosa and the implementation of an area growth strategy are consistent with past actions of Tulsa's leadership. Beginning with the actions early in the century which made Tulsa a center for petroleum companies, the prolonged effort to obtain construction of the waterway, development of the airport in the late twenties, and continuing with the massive investment in downtown Tulsa represented by the Williams Center, together with the plan of development for the metropolitan area, signify consistency of plan and action in terms of both boldness and the effort to make reality conform to the goals of community leadership. The rapid growth of Tulsa during the present century, its development as a specialized manufacturing center and as a nascent headquarters city for the southwest has not altered the leadership tradition of involvement in and desire to shape important elements of the city. This leadership tradition appears to be a major force for stabilization in an otherwise dynamic city.

Development of the port and of the balanced growth strategy has been influenced by and has encouraged formation of an organizational apparatus for implementing key decisions. Due in part to the increased confidence in Tulsa's future caused by construction of the waterway, renewed efforts were made to expand the economic base. This led to the formation of special purpose organizations which in some cases were creations of the city government, but managed by Chamber of Commerce personnel. These included

organizations concerned with various phases of economic development, one concerned with encouraging international trade and one that had responsibility for developing the pedestrian mall system and a fourth concerned with the riverfront park. The port authority and its trust agency also were established at about the same time. The city commission, on its part, established its effort at comprehensive planning and the task force for specifying the major guidelines for the balanced growth strategy. These various organizations and committees were integrated, at least in part, by the complex of interlocking positions which the mayor and the Chamber's economic development manager held in both the public and private realms. Other leaders also had positions in two or more of these agencies, such as the port authority, the economic development commission, and the economic institution in which they held an executive position such as a bank or utility company. While the mayor's Vision Program provided opportunities for interested citizens at the neighborhood level to provide inputs to the decision-making process, the pattern of appointments to development agencies provided links to the major employers and financial organizations. Their resources also were essential for the success of the balanced growth program.

Construction of the waterway played an important but not exclusive role in the formation of this "growth apparatus." The contribution made by the waterway to the current and future growth of the Tulsa metropolis could be attributed, in part, to the effectiveness of this apparatus for economic and social change. In this sense the two are inseparable. The content and manner of implementation of the balanced growth strategy should also have a large measure of influence on the degree of economic and population expansion the metropolis can sustain over the next two or three decades. If the policy succeeds, areas in the north are developed as attractive neighborhoods, and the central business district thrives both as a center for headquarters functions, culture, entertainment, retail, and as a symbol of Tulsa's achievements, the waterway's stimulus to development should be prolonged for many years. Its "impact" should be much greater than if the plan fails.

PART B

OKLAHOMA NONMETROPOLITAN CITY: MUSKOGEE

INTRODUCTION

The waterway has been a major, if not decisive, factor in changing policy from stability to growth, from "maintenance" to "innovation." For many years Muskogee leaders were principally concerned with maintaining the advantages which they believed existed in the area. They were far more concerned with retaining industries and employers in the community than with adding to the economic base. This orientation began to change in the early sixties when construction of the waterway became a certainty. Competition from nearby cities which would be increased by the waterway compelled decisive action. These events occurred about the same time as leadership succession. The two combined led to gradual development of a growth oriented strategy and a major effort to overcome the years of municipal neglect. At the time of the study, Muskogee had reached the "take off" stage of development.

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

Muskogee's population has been stable for half a century. Between 1920 and 1940 the population increased less than 6 percent from 30,277 to 32,026. During the next three decades population increased by 16.6 percent to 37,331.³³ For the 50-year period the city grew at an annual rate of half a percent. During this same half century, Tulsa's population increased from 72,000 to more than 350,000. Between 1970 and 1975, Muskogee's population may have reached 40,000, a somewhat higher rate of increase than in previous years.

Muskogee has a large proportion of minority group residents: blacks and Indians are a fourth of the population, 24 percent in 1970, compared to 13.4 percent for Tulsa and only 11 percent for Oklahoma.³⁴ This fact suggests a relatively low income distribution. Median family income in Muskogee for 1970 was below that in the state, approximately \$7,000 and \$7,725, respectively.³⁵ Educational level, as measured by median number of school years completed, is slightly less in Muskogee than in Tulsa, 12.0 and 12.5 respectively.³⁶

Data on distribution of the labor force in 1970 by economic sector indicates heavy reliance on wholesale/retail and government with manufacturing a low third, 28.0, 20.0 and 15.5 percent, respectively. For Oklahoma the figures were 21.6, 20.0 and 16.0 percent, respectively.³⁷ The great dependency on government reflects the presence in the community of county, state and Federal offices, along with those of local government. They, however, do not explain the small proportion employed in manufacturing which is less than in Tulsa where it was approximately 19 percent. The latter, as indicated above, was of such concern to Tulsa leaders that increasing that proportion became an essential element of the growth policy. We will consider below some of the reasons for the weak position of manufacturing as an employer for the Muskogee area.

The weakness of the manufacturing sector is reflected also in data on occupational composition of the labor force. More than half, 51 percent, were white collar workers, with a little more than 24 percent employed as professionals and managers, and a little more than 26 percent employed in clerical and sales work. By comparison, Oklahoma had less than half of the labor force, 48 percent, in white collar occupations.³⁸

Both durable and nondurable manufacturing were important for the local economy. In the latter category, the principal employers in the mid-seventies were two absentee-owned glass plants, Brockway and Corning. A concern recently purchased from local owners by an outside corporation manufactured lenses and employed close to 400 persons. Food processing also was an important part of the economy, with one large concern owned by a local family. A number of firms were involved in various areas of metal fabrication. Fort Howard Paper, which is building a facility near the port, probably will become the largest employer in the community, with about 800 employees initially, and the prospect of several thousand workers.

This brief look at population and the economy indicates two important facts: a stable population size for at least 20 years, if not for half a century; and manufacturing comprising a smaller than average segment of the economy. From an income standpoint, the population of the area also ranks behind that of the state. These facts are interconnected and can be explained, in part, by the inability to expand the community's manufacturing base. This characteristic also is suggested by data on the period in which industry came to Muskogee. Table 4-2 shows that 57 percent of the firms came to the city prior to 1950, a figure exceeded by only one other community along the Arkansas River. Less than 14 percent of the plants came after 1969, and of these, only one employed more than 100 persons. The factors responsible for the slow growth of industry in recent years and community response to the port need to be explored.

Leadership and Policy

In the decades following the Second World War, the leadership of the community consisted of several components. A handful of families which had extensive business interests outside the community included one family highly successful in construction throughout the southwest, if not the nation, and two families linked by marriage. These two families were involved in food processing and in the mass media, owning several television stations in Oklahoma and Arkansas but not in Muskogee. A fourth family owned a highly successful company in Muskogee which manufactured lenses and recently, as mentioned above, sold to an absentee-owned corporation. The other families in this leadership group included the one owning the city's lone newspaper and the top officers of the downtown banks. Each of the families in the group owned stock in one or more banks and had family members who were bank directors.

While these men were highly successful in building their enterprises and amassing fortunes, they were conservative and cautious in the community policies which they followed for two or more decades. These policies played an important role in holding down the growth of manufacturing in the Muskogee area. The leadership responded more positively to the prospect of losing an employer already in the community than to the prospect of either recruiting a manufacturer or making those capital improvements which would improve the community's prospects for industrial growth. The group of leaders essentially were "maintainers," concerned primarily with preserving those features of Muskogee which they considered desirable. The families with primary business interests outside the city also may have been concerned with maintaining "normalcy," to focus energies on external activities. The remaining families in the leadership circle adopted a similar position to protect what they regarded as positive aspects of the local situation. These were stability, the limited risk of a declining market and labor force, and the fear that certain changes would have a negative impact on their firms, and possibly on their leadership positions.

Growth was defined as increasing uncertainty and risk. The risks were to be found in several areas of community life, both public and private. A growing community required larger capital investments in public improvements, e.g., schools, streets and utilities. The leaders were widely acknowledged as "tight fisted millionaires," in the words of one man who knew them well. Another leader acknowledged that these men delayed capital improvements both in the community and in their businesses for as long as possible. One leader during his lifetime opposed many improvements favored by his principal managers. Shortly after the leader died, the son who took over the enterprise embarked on a multi-million dollar modernizing program which the father never permitted during his lifetime. It was acknowledged that the father had "held the son down" while he was alive.

Among the banking leaders, the prospect for economic growth was viewed with some alarm since many more requests for business loans would be forthcoming whose soundness would be questionable. The prospect of an increase in the proportion of unsound loans was not a cheery one. One man who was a leader in Muskogee banking reflected on the negative aspects of developments in Tulsa. He believed the rapid growth of the Tulsa banks was offset by the increase in bad loans--about which so little was said. Comments also were made about the large losses which banks in New York and Chicago recently had incurred. The banking community in the fifties and early sixties was content with stability or slow growth minimizing the risk of loss. Safety of investment was highly prized.

One other aspect of economic expansion caused considerable concern. Many efforts were made by younger leaders, especially those active in the Chamber of Commerce, to bring industry to Muskogee. Time and again the effort would flounder and come to nought if the firm's wage scale exceeded prevailing wage rates. When this item of information became available, the climate cooled considerably. One man who became so discouraged by the frequency with which this outcome occurred, moved to another Oklahoma City. Limited opportunities for the city's bright young men encouraged many to migrate elsewhere. This circumstance would account for the fact that the proportion of persons who had not attended college among the leaders interviewed was higher in Muskogee, 43 percent, than in the other four port cities, Table 8-2. The corresponding figures were 25 percent for Pine Bluff, 21 percent for Fort Smith, 17 percent for Little Rock and 12 percent for Tulsa. The younger men who remained in Muskogee may have been less able to compete for economic advancement in the larger cities due to the lack of higher education and more willing to accept the prevailing low or anti-growth policy. The pattern of leader migration would help explain the lengthy duration of the town's conservative policies.

The community's leaders in the postwar era might also have been fearful of the ability to retain their positions of influence if new enterprises came to the community. The managers and owners of these firms would be involved in the Chamber, industrial development agencies, and perhaps in the banks if the concern was a large customer and could use these positions to influence the making of local policy. If growth was slow or nonexistent, the challenges to the leadership structure from newcomers would be miniscule.

The leadership did take vigorous action to prevent firms from leaving the community. When the local unit of the Veterans Administration announced its intention some years earlier to move to Oklahoma City, the leaders acted to prevent the loss of a substantial payroll. To persuade the V.A. to remain in the community, the industrial foundation donated an office building which it had purchased for \$100,000. The foundation also played an important role in obtaining two of the area's largest employers--Corning Glass and Brockway Glass--shortly after World War II. After these firms had been added to the economy, possibly to fill the void caused by the closing of several defense facilities and the move by the V.A. had been prevented, the leadership apparently became content.

Despite these accomplishments, the contrast with Tulsa leadership is striking. Tulsa leaders talk about accomplishments and the methods responsible for achievement. These are referred to as the "Tulsa spirit," and signifies daring, large-scale plans, the willingness to stay ahead of problems and to act before matters became urgent or a crisis occurs. It signifies also personal commitment to the community as exemplified in the use of "stud horse notes" to start work on various projects such as the airport and Mohawk Park, rather than waiting for a bond issue to be approved. While leadership precedents set by wealthy oil families partially account for the differences between the two communities, normative factors also are important. Muskogee leaders preferred to see the difficulties and not the advantages of industrial and population growth.

The prevailing policies in Muskogee in actuality have contributed to decline rather than stability in various areas of community life and hindered recent efforts to recruit industry. The refusal or inability of local leaders to expand the economic base in a community which had a large minority population led to intensification of conflict between labor and management and of an ethnic nature focused on school integration.

The lack of employment opportunities contributed to the militancy of the unions and manifested in repeated demands for a closed shop. This demand on occasion resulted in violence such as that which occurred a few years ago when Oklahoma Gas and Electric began the expansion of its energy facility. The community had acquired a reputation for poor labor-management relationships, a circumstance which has not aided recent efforts to expand the economic base. Since labor violence also occurred in Tulsa during the depression, this aspect of labor-management relations by itself cannot adequately explain subsequent difficulties in bringing industry to the community.

The reluctance of leadership to assert itself in times of crisis also contributed to the persistence of conflict over school integration which led to the dismissal of a recent superintendent who complied with court orders by developing a plan for busing. It contributed to the extension of a salary dispute in 1976 between the school board and teachers despite a minimal difference between demand and offer. A climate of dissension has persisted, manifested recently in the resignation within a relatively

short period of four members of the city council. These indicators of conflict may stem from the policy of stability which generated too few opportunities for employment for earning a satisfactory income and which led to the accumulation of unmet and partially met needs in the community.

Impact of the Waterway on Community Policy

Construction of the navigation system and the passing of the older leadership generation contributed significantly to basic policy changes. First, Muskogee gained new transportation facilities and a position on the nation's inland waterway system. Few communities have this broad range of intermodal transportation. Second, this acquisition strengthened the conviction of the rising leadership generation that the past was not necessarily an indicator of the future, that new industry could be brought to Muskogee. Third, a commitment had to be honored, the commitment to the Federal agencies responsible for construction of the waterway. Fourth, the waterway increased competition between Muskogee and other communities along the river. As Muskogee had grown little in the past, another failure would leave the city hopelessly behind those that were using water transportation to recruit industry. The waterway gave Muskogee its best and perhaps last chance to grow.

By the mid-sixties most of the key leaders of the preceding few decades were delegating responsibilities to younger men, in some cases, their sons. These men at the three downtown banks and the newspaper were somewhat bolder and more confident than their predecessors.

From the middle of the sixties to the present, many improvements have been carried out. The trend began with election of a mayor in the early sixties who instituted long-term planning and a major street improvement program. In the years that followed, other projects were carried out, including a \$2 million civic center; construction of a hospital and its expansion in 1975 at a cost in excess of \$22 million; a city-county library in 1972 at a cost exceeding \$1½ million; addition of four parking lots in the downtown area since 1971; a secondary sewage disposal system in 1974 which cost more than \$3 million; between 1972 and 1974 more than \$3 million were spent in city street improvements.³⁹ By 1976, the total investment in the port was close to \$10 million; local bond issues provided less than 20 percent of the total amount.⁴⁰

Several changes in the private sector indicate both the expansion of the economy and the strengthening of forces committed to growth. Two new banks were opened outside the downtown area, one in 1972 and the other in 1973. One was located in the eastern section of the city for the directors anticipated considerable growth in this area which was near the port. They did their planning well for the bank was profitable after the first year of operation. The second new bank was in the western part of the city where new subdivisions and shopping areas had been built. Both banks required a growing economy to compete against the older, more established banks in the downtown area. This circumstance strengthened those community leaders anxious to take advantage of the waterway to promote industrial growth.

The multi-million dollar improvement of the downtown office of the local newspaper, including facilities for computerizing publication, had a similar effect. This large investment would more readily provide a suitable return to management if circulation and advertising revenue increased. This was more likely to occur in a growing community. It is not surprising that the editor of the newspaper, in the mid-seventies, worked to promote community development as a two-term president of the Chamber of Commerce and as a director of several industrial development agencies.

Several important improvements have occurred in the private sector. These include expansion of the electric generating facility by Oklahoma Gas and Electric on the left bank of the Arkansas River, east of the city, at a cost in excess of \$½ billion. When completed the facility will provide employment for an additional hundred workers. The facility under construction at the port by Fort Howard Paper is expected to cost more than \$50 million and to employ, as stated above, approximately 800 men and women. If the operation is successful, employment could more than double in several years.

Construction of the waterway was the single most important factor contributing to the change in policy from stability to growth and in leadership personnel from "maintainers" to "innovators." The rising generation of leaders considered the waterway a major facility for certain types of industry. While competition from other port cities would be keen, Muskogee had certain advantages. These included the fact that Muskogee would be the last port on the Arkansas which had a width of 250 feet, while the width of the channel on the Verdigris was 150 feet. The city also had several other transportation advantages, including access to the port from the turnpike. Trucks did not have to go through the city to reach the port. The city also was served by four railroads, two interstate highways, three Federal highways and the turnpike to Tulsa.⁴¹ Four area bridges spanned the Arkansas River, making it possible for the city to expand its trade area eastward. Although close to Arkansas, Muskogee was only slightly less accessible than Tulsa to the central and western areas; it was only 23 miles further than Tulsa from Oklahoma City. Muskogee was well situated to serve the southwest--it was located halfway between Kansas City and Dallas. Despite the city's past record, Muskogee leaders had many reasons to believe that the city finally would achieve its potential.

This confidence in the contribution of the waterway to the future of the city was reflected in the support which the bond issue for port development received. The voters approved two bond issues, one in 1965 for \$300,000 and the other in 1967 for \$1,250,000.⁴² These were the first bond issues to be passed in the city in many years and both were adopted with pluralities of more than five to one.

Despite these advances and the indications of public support for growth policies, the years of neglect have taken their toll. The unmet and partially met needs which had accumulated over the years could not be dealt with at one time. In the late sixties, for example, when the local economy benefitted from the workers engaged in building the waterway, a housing shortage existed.

The city's master plan prepared in 1962 was not revised until 1976. The planning department was woefully inadequate with one man. Subdivision regulations were thought to hamper the construction of new housing. And the housing stock was old; 58 percent had been built prior to the Second World War (U.S. Bureau of the Census, 1972), the largest proportion for any of the communities along the river.⁴³ Many areas of the city did not have fire hydrants. No new buildings had been constructed in the downtown business district for decades until completion in 1976 of the Veterans Administration office building. While the city built four parking lots in the downtown business district in the seventies, these came too late to prevent the loss of large retailers such as J.C. Penny. Some downtown businessmen felt the lots should have been built 10 years earlier. Several vacant stores in prominent downtown locations and the presence of some pawn shops and shops selling used goods suggest that the area is in a state of decline. This condition, combined with the dinginess of other older areas of the city, gives Muskogee a grim and somber appearance. These conditions handicap efforts to bring in new enterprises.

THE PORT OF MUSKOGEE

The Port of Muskogee is located east of the city on the Arkansas River immediately south of the confluence of the Arkansas, Grand and Verdigris Rivers. The port occupies 15 acres and the port authority owns an industrial park with 305 acres. A few miles south is a second industrial park owned by the Greater Muskogee Development Committee, which has more than 700 acres, including the large parcel on which Fort Howard Paper Company is building its plant. Frontier Steel is located nearby in the building that served as a chemical plant during World War II. Frontier Steel also owns and operates a port less than three miles from the Muskogee port. It is equipped to handle bulk liquids and inbound molasses. In 1976, the company experienced a heavy demand for handling bulk liquids and has expanded facilities for performing this function. A private port at Waggoner handles grain and one at Webbers Falls handles soybeans. The operations of these three ports have slowed the rate of increase in the volume of commodities handled by the Muskogee port.

Despite these circumstances, considerable improvements have been made in the facilities at the port since its opening in January, 1971. The port's industrial park is fully developed with roads, water and sewer. It is served by the Missouri Pacific Railroad and two railroad spurs are operative. Two shell buildings are available, one with 80,000 square feet. A steel decoiling facility went into operation in 1976. The total investment in the port in 1976, private and public, was approximately \$10,000,000.

The location of the port has caused some problems for barge operations due to silting and fluctuation in the level of the navigation pool. A wide range of water levels occurs at the site due to proximity to Webber Falls Dam which is 27 miles downstream.⁴⁴ As silt tends to collect at the port site, a high water level must be maintained to prevent the barges from

scraping the channel bottom. Since it has not always been possible to maintain the requisite water level, dredging operations occasionally are required. This circumstance increases the financial demands on the port authority.

Operations at the port have not progressed rapidly since its opening. Few plants operate at the port and Fort Howard Paper is not expected to be a heavy user of barge transportation during the early years of operation. Some of the factors responsible for these circumstances are discussed below.

The no-growth policy reduced opportunities for the upcoming generation of leaders to prove their mettle. There were fewer projects and programs in which the younger men could participate. Many which were available involved routine activities, providing little opportunity for gaining confidence in overcoming serious local problems. Many ambitious young men sought better opportunities in other communities, as indicated by the high percentage of local leaders who had not attended college. Those who remained did not have adequate confidence in leadership capabilities, a factor that influenced decisions on the port.

In planning development of the port, authority members first had to decide which agency would be in control. They could opt for a public agency, as in the case of Tulsa, or choose a private firm to take on that responsibility, as in the case of Pine Bluff and Fort Smith. In the case of Muskogee, the latter choice was made and it has not been satisfactory. Two factors led to this decision. Members of the port authority initially preferred to manage and develop the port. Since the members felt lacking in experience and know-how and feared that the various problems might be too technical and complex, on the recommendation of a consultant they opted for employing a private firm to take on this responsibility. Financial considerations also were important in this decision. Port authority directors correctly assumed that the port would operate at a deficit for a few years and that adequate funding for the requisite facilities and improvements was not available in the community. The solution to both problems seemed at hand when a division of The Williams Companies of Tulsa, Wilbros Terminal Company, expressed interest in managing the port. The port authority considered the arrangement advantageous for several reasons: as an Oklahoma concern, the company had a strong commitment to developing the port and its industrial park. The company also had the financial resources and the technical ability to manage the port. The company received a contract which had a number of favorable features, including a 25-year term to expire in 1997, a relatively modest payment to the port authority for unloading fees, five cents per ton compared to the following rates at Little Rock: seven and one-half cents for dry bulk cargo, ten cents for iron, steel and liquids, and twenty cents for package goods.⁴⁵ Wilbros also receives a finders fee for every firm that goes into the port's industrial park, the first 30 months rent paid by the company. In exchange for these considerations, Wilbros was expected to invest capital in developing facilities required for port operation such as cranes and other loading/unloading equipment. The company also pays the Authority a rental fee of \$3,000 per month. The arrangement, however, has been a disappointment for both parties.

The central difficulty has been the slow pace of industrial development and the slow rate of increase of traffic at the port. Until Fort Howard Paper decided to construct a facility, only three plants had established operations at the port in six years. During its first years of operation, Wilbros Terminal had expended a considerable amount of money in industrial recruitment activities. When these proved fruitless, the efforts were drastically reduced. The Company's port manager acknowledged that the recruitment effort had largely failed. These circumstances are reflected in figures for tonnage which shows a relatively high level during the first year--64,000 tons--and then a rapid drop during the years when high rainfall led to curtailment of operations on the Arkansas River. Tonnage fell to less than 27,000 tons in 1973 and by 1975 had almost reached the level attained during the first year, 58,572. In comparison, the Little Rock port with an investment of several million dollars more than that of Muskogee, handled close to 400,000 tons.

The lack of development has caused friction between officials of Williams Companies and the port authority. It contributed also to difficulties between the port authority and the city council. Company officials may not have fully recognized the impediments to Muskogee's efforts to bring industry to the area. The dingy appearance of the community, past history of labor-management difficulties, friction in other areas of social life, and the housing shortage in the early seventies have been serious handicaps. The lack of a four-year college also has been a hindrance, although the community's two-year college which traditionally served persons of Indian background recently has welcomed all qualified students. There is little prospect, however, that Balcone College can become a four-year institution in the near future.

Many deficiencies in the community needed to be corrected if the community was to be competitive in the recruitment of industry. In the meantime, some city leaders and company executives blamed each other. The lack of industrial development has been attributed to an ineffective port manager and to half-hearted recruitment efforts by the company. Some company representatives, on the other hand, seemed to believe that the city's industrial development group had discouraged companies from building at the port to avoid paying the finders fee. A relationship which began optimistically for both parties has turned sour.

The change in attitude is indicated by a recent transaction by the Williams Companies. At about the time that the company entered into the contract for managing the port, it purchased more than 20 percent of the stock in The Commercial Bank and Trust Company, one of Muskogee's downtown banks. This acquisition did not indicate the company's intention to control or dominate the bank but the expectation that its investment would appreciate in value as the community grew. This block of stock was sold in 1976 to several officials of the bank and an outside banking interest.⁴⁶ The sale of stock indicates that the investment in the growth of the community has not been as profitable as originally projected.

Several years ago the Kerr-McGee Company purchased approximately 13 percent of the stock in The First National Bank and Trust Company, another downtown bank. Although Mr. McGee was named a director, he seldom came to board meetings and no effort has been made to influence bank policy. At the time of writing, the corporation retained ownership of this block of stock.

Members of the Port Authority and executives of The Williams Companies have considered terminating the contractual relationship for port management. While the relationship has been profitable, the level of return has not been satisfactory relative to inputs, although the situation is expected to improve over the next five years. As port management is a minor component of the Williams' corporate activities, the difficulties experienced in recent years may outweigh the monetary benefits.

Some members of the Port Authority now believe that public management would provide greater benefits than continuation of the present arrangement. The matter recently was considered but did not prove feasible as the Company is responsible for bonds issued by the Authority in excess of a million dollars for which it did not have adequate collateral. The funds were used to install the steel decoiling facility and other improvements. Since the Authority was not able to assume responsibility for the bond issue, the contractual relationship could not be altered. Whether the situation at the port will improve as the national and state economies improve remains to be seen.

Development of the port also has been hampered by relations with the city council. The council's fiscal practices, to some extent, have exploited the Port Authority, hindered its development and increased friction between the two public bodies. To obtain sewage treatment services for plants at the port, the Authority was compelled to finance construction of a sewer line for close to a million dollars, which was owned by the city and used mainly to provide service for residential areas near the port area. The Authority, however, uses funds from Willbros to amortize the bond issue. At the same time the city council has gradually reduced its contribution to port operations from \$12,000 per year until in 1976 it made no contribution at all. Council members and the mayor felt that the port authority ought to be self-sufficient. These two circumstances disturbed some members of the port authority since funds were needed for dredging and financing certain improvements. It was hoped that construction of a finger pier for handling various bulk commodities would enable these items to move through the port. The Authority did not have funds for constructing the facility and was unable to obtain a loan from two local banks.

Some members of the Port Authority attributed these actions to the man who had served several terms as mayor, retiring in 1976. As a former railroad executive, the mayor may not have shared the director's enthusiasm for the waterway, but he recognized its potential for the city's future. His actions may have resulted from commitment to a program intended to rectify area deficiencies due to years of neglect, such as providing fire

hydrants in neighborhoods which never had them. The mayor also had the solid backing of some strong proponents of growth and development. The lack of funds may have necessitated hard decisions.

The facts suggest that, for whatever reason, city government was able to transfer to the port authority some of the costs of sewage system improvements while reducing its support for that agency. This circumstance undoubtedly hampered the authority's efforts to finance capital improvements and to increase activity at the port.

SUMMARY AND CONCLUSION

Although the impact of the navigation system seems small when measured by tonnage figures and by the number of plants at the port's industrial park, such a conclusion would be erroneous. The navigation system has been the decisive factor in the emergence of an apparatus for accomplishing economic, population growth and the improvement of social institutions. This apparatus consists of a number of industrial development agencies, the port authority, the Chamber of Commerce and various agencies of city government, including an improved planning department. The policy of stability which had the unintended consequence of contributing to the decline of the community has been replaced by a growth policy. This change has been aided by the emergence of two banks whose future depends on economic expansion. The expensive modernization of the newspaper also has strengthened its interest in an expanding economy. The transformation of the industrial foundation to the development committee was an important step forward for a full-time professional was employed to carry on the work of recruiting firms to the community. This activity can be attended to continually rather than sporadically. A comparable change for the port authority would be beneficial. The port authority has been strengthened by the addition of several prominent leaders whose contacts outside the community provide access both to state agencies and the higher echelons of The Williams Companies. All of these innovations contribute to the major policy change concerning expenditure of public funds, from crisis management to one of planning for the future, anticipating demands and seeking to control the direction of change, even if serious risks must be endured.

These changes in leadership, organizations, and policy also have been manifest in the seemingly frantic effort in the past 10 years to reverse the deterioration which has occurred since the forties. Muskogee in the seventies has reached the "take off" stage for future development. The recruitment of Fort Howard Paper should further strengthen the forces committed to growth and demonstrate to the "maintainers" the payoff for community investment and possibilities for the future. The continuing difficulties of managing the port may hold back the pace of development unless resolved satisfactorily in the near future.

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CHAPTER 7

II COMMUNITY DEVELOPMENT

PART A

ARKANSAS METROPOLITAN COMMUNITIES: LITTLE ROCK

INTRODUCTION

Political leaders in Arkansas currently are grappling with a conflict that has increased in importance in recent years. Industrial and urban development has occurred for a state and in communities whose governmental framework was designed for a rural economy and population. Government could function adequately in past years since its responsibilities were fewer and less costly. The current search in methods to increase the fiscal capabilities of cities is long overdue. It comes at a time when the public's concern over inflation, recession, and rising costs of government at all levels often are manifested in general opposition to proposals which increase the tax burden, regardless of the uses to which the money will be put. These concerns are of considerable importance in this study since the three major port cities, Little Rock, Pine Bluff and Fort Smith, have grown rapidly in the past 25 years and are seriously hampered by the current fiscal situation.

Since the mid-fifties the state of Arkansas has been actively involved in promoting industrial development. In a sense, the political and economic leaders of the state and of the principal communities have been responsible for the fiscal and legal difficulties which currently have become so serious. This development was inevitable and its resolution could be postponed but not avoided. The appointment of Winthrop Rockefeller by Governor Faubus as chairman of the Arkansas Industrial Development Commission marked the beginning of the state's industrial development program. The Rockefeller name provided entree to top corporate offices despite the difficulties the state had experienced with school desegregation and its image as a backward area. Rockefeller became the state's most important public relations specialist for industrial development, acquainting key economic leaders around the country with the advantages the state had to offer. Subsequent tenure as governor gave additional weight to the message which Rockefeller disseminated in his travels around the nation.

The aggressiveness for industrial development initiated by Rockefeller has continued to the present day. The state established an office in Brussels in 1976 to assist Arkansas companies to sell products overseas and to recruit European firms. Despite the uncertainties of the economic situation in Europe and around the world, the state committed \$300,000 to establish and operate the office during the first year. The Industrial Development Commission plays an active role in gathering and organizing

pertinent information on the various communities in the state and making it available to interested firms. The agency also is aggressive in following up leads to firms that have expressed an interest in locating in the state and in bringing members of the various firms to key people in the communities in which an interest has been expressed. Development of a vocational education system across the state and major improvement of highways along with the years of partnership with agencies in Oklahoma working for construction of the navigation system also have been highly beneficial for economic development.

The relatively low wage scale in the state, enactment in the fifties of a right-to-work law and the availability of Act 9 industrial bonds also have contributed to a high rate of industrialization and urbanization. The 1960-1970 decade reversed the pattern of population decline which took place in the previous two decades. Population increased by a little less than 8 percent to almost 2 million inhabitants after declines of 2 and 6.5 percent in the decades between 1940 and 1960, respectively.¹ Between 1970 and 1975, population increased in Arkansas by 10 percent, one of the largest percentage gains in the south and in the nation.² The proportion of the state's population living in urban areas also increased from 43 to 50 percent in the sixties. While the population of the state increased by close to 8 percent, the urban population increased by 26 percent.³ The increase in population of metropolitan areas also is indicative of the intensification of urbanization. Between 1960 and 1970 the proportion of the state's population living in metropolitan communities increased from 35 to 38 percent, a gain of 18 percent numerically. While this rate fell below the 21 percent for the west south central states, the increase of 7 percent between 1970 and 1973 exceeded the rate for the other three states in the region, including Texas.⁴

Despite the increase in urbanization since 1960, Arkansas remains one of the more rural states of the nation. Half of the state's population in 1970 lived in rural places compared to 30 percent for the nation. Although employment in agriculture declined in the five years since 1970 from more than 20 to 14 percent of the labor force, the latter is much higher than the 6.6 percent for the south.⁵

THE LITTLE ROCK SMSA

Little Rock, in contrast to Tulsa, is the dominant metropolis in the state. The metropolis is the largest in Arkansas with close to 360,000 inhabitants in 1975.⁶ Fort Smith, the next largest SMSA, has a population roughly half that of Little Rock, about 184,000.⁷ As the seat of state government and as the most populous area in Arkansas, Little Rock has no serious competitor. This circumstance of long standing is reflected in at least two of Little Rock's functions as a center for trade and state government. The agencies of state government serve the entire state; all communities are oriented toward and involved with the branches of state government located in the capitol city. Little Rock has been the dominant headquarters city for Arkansas politics since 1838, for more than 140 years.

Little Rock's central location, a factor in its selection as the state's capital, has contributed to the growth of other important functions. The city long has been a transportation hub for the state, traversed by three Federal interstate highways, several state highways, three railroads and served by 34 franchised truck freight lines, of which 31 operate terminals in the metropolitan area.⁸ Equally important, Little Rock has the best air transportation facilities in the state, with service provided by six major airlines, including American, Delta and Braniff. For air connections to major points in the country, residents of many communities in the state must come to Adams Field in Little Rock.

Little Rock's superiority as a transportation center is reflected in its functions as a distribution center for the state. The wholesale trade area in 1963 included all or part of 56 counties, and sales represented 28.7 percent of those in Arkansas.⁹ However, the growth of various other cities is reducing Little Rock's superiority; sales in 1958 were 35 percent of those in the state.¹⁰ The retail trade area covered 26 counties and sales in the SMSA increased from \$373 million in 1963¹¹ to close to \$850 million in 1972.¹²

From the standpoint of population, the importance of the Little Rock SMSA has increased as its share of the state's inhabitants has grown from 12 percent in 1950 to 17 percent in 1970.¹³ A rough index of overall economic expansion is provided by the volume of income payments to inhabitants of an area, including salaries, wages, rent, interest, etc. These payments in 1970 totalled more than \$1,300 million and constituted almost a fourth of income payments in Arkansas.¹⁴ The Little Rock SMSA also contributed more than a fifth of the state's employment--22 percent--although it had only 17 percent of the state's population.¹⁵

Several conclusions are obvious. First, the economy of Arkansas depends on the vitality of the economy in the Little Rock area. Secondly, for distribution, government, and manufacturing, Little Rock either is the dominant or a leading center in the state.

These trends are indicated also in the structure of the area's labor force. The three major functions in terms of employment are wholesale-retail trade, government and manufacturing. Employment in these categories in 1969 were 22.8 percent in trade and 14.7 percent for manufacturing.¹⁶ By 1974 the figures were 22.6, 20.0 and 17.6 percent, respectively.¹⁷ Employment in manufacturing had grown considerably while that in distribution had declined. In terms of these three categories, the economy of the state has become more balanced and less dependent on any one sector. Despite the growth of manufacturing, this segment of the economy still provided a smaller proportion of employees than in the nation, 26 percent, as compared to Ford Smith and Lee Smith. These figures should not detract from the importance of the growth in manufacturing in the Little Rock area. The increase during the sixties occurred at an annual average rate of 1.5 percent, compared to 1.3 percent for the nation.¹⁸ The timing of this increase in proportion of the labor force employed in manufacturing

also signifies that the port played no part in this change since it did not open until 1969. The port has contributed to this trend in subsequent years as discussed below. The manufacturing activities which grew in importance in the sixties were metals industries and electrical machinery, with increases in employment in this decade of 138 and 208 percent, respectively.¹⁹ Employment in the former constituted 8 percent of the labor force in 1970, while 3 percent for the latter. The expansion of activity in these areas of manufacturing may also be reflected in the recent increases in inbound shipments of steel at the port, which is discussed below.

The finance sector of the Little Rock economy which also includes insurance and real estate, also registered a 46 percent gain in employment in the sixties. Six percent of the labor force were engaged in these activities in 1970. The increase in this sphere suggests the growing demands for banking and insurance services accompanying the increase in population and economic activity generally.

Population Characteristics

The city of Little Rock has grown considerably since 1950 from 102,000 to 142,000 inhabitants in 1974, a gain of 39 percent.²⁰ The rate of change has increased in recent decades from a low of 5.8 percent in the fifties to 13 percent in the sixties and 7.6 percent between 1970 and 1974.²¹ Annexation accounts for some of this growth.

Population increased in the Little Rock metropolis 56 percent from 1950 to 1974, Table 7-1. Between 1950 and 1970 the smaller cities in the metropolis have grown most rapidly. The table also provides a higher figure for Little Rock's population based on Metroplan estimates than that given above by the Census Bureau. In 1974 the population of Little Rock comprised slightly less than half that of the metropolis, 49 percent. This figure suggests the importance of the current effort to control land use in the fringe areas of the city, discussed below. Little Rock's portion of the metropolitan population should increase if the 1976 election to annex 55 square miles of territory withstands legal challenge.

The labor force is heavily concentrated in manufacturing, wholesale-retail trade and government, 16.4, 21.5 and 20.8 percent, respectively, for 1970.²² Comparable figures for Arkansas indicate a much higher proportion in manufacturing and much smaller in government employment, 26.1, 19.4 and 15.2 percent, respectively. This pattern of distribution could justify a strong push for increasing the growth of manufacturing should leadership consider such a move desirable.

Little Rock, as one would expect, has a high proportion of white collar workers, close to 60 percent, which is slightly higher than that of Tulsa and considerably higher than the figure for Arkansas, 39 percent.²³ White collar workers are evenly divided in Little Rock between professional and managerial, on the one hand, and clerical and sales. The data suggest, therefore, that the city has a strong middle class in terms of occupational characteristics.

Table 7 - 1

POPULATION GROWTH TRENDS, LITTLE ROCK SMSA BY URBAN PLACES
OF 5,000 OR MORE, NUMBERS AND PERCENT, 1950 - 1974

	<u>Est. 1974</u>	<u>1970</u>	<u>1960</u>	<u>1950</u>	<u>1974-70</u>	<u>Percent Change</u>	
						1960-70	1950-60
Pulaski County	305,000	287,189	242,980	196,685	6.2	18.2	23.5
Little Rock	169,398	132,483	107,813	102,213	27.8	22.9	5.5
North Little Rock	64,360	60,048	58,032	44,097	7.2	3.5	31.6
Jacksonville	23,653	19,832	14,488	2,474	19.2	36.9	485.6
Saline County	39,600	36,107	28,956	23,816	9.6	24.7	21.6
Benton	17,800	16,499	10,399	6,277	7.8	58.7	65.7
Total SMSA	344,600	323,296	271,936	220,501	6.6	18.5	23.3

Note: Includes annexations.

Source: U.S. Census of Population; Metroplan; Urban Programming Corporation, op. cit., p.10.

The middle class character of the city also is indicated by data on median number of years of schooling which is 12.2 compared to 10.5 for the state.²⁴ The figure for Little Rock is identical to that for the nation.²⁵ In terms of per capita income, that for Little Rock-North Little Rock in 1974 was 94 percent of that for the United States, \$5,133 compared to \$5,440.²⁶ In this respect Little Rock-North Little Rock stood higher than Oklahoma City and the other two metropolitan areas in Arkansas, but slightly behind Tulsa. Little Rock differed from Tulsa to a greater degree by the fact that blacks represented almost a fifth of the population in the metropolis, 18.6 percent, but a fourth of the population of Little Rock, 25 percent.²⁷ Success of annexation should reduce the proportion of blacks in the city's population.

In summary, both city and metropolis have grown considerably since 1950. The area is strongly middle class in terms of occupation, with the labor force concentrated in three major areas of the economy and the city has a large black population.

FACTORS INFLUENCING PAST AND FUTURE DEVELOPMENT OF THE LITTLE ROCK SMSA

State policy on financing development generally has been conservative. While this approach applies to all communities, its influence is felt most by those which have been growing rapidly and those which have high growth potential. This conservativeness is manifest in constitutional provisions concerning municipal finances. These include statutes which limit a city's revenue for operations to a five mill tax on assessed property, a five mill limitation for bond issues, and a low level of property assessment, pegged at 20 percent of market value. These provisions severely handicap growing cities as the need for services usually outstrips the growth in income. Although the state and most of its communities have a great need to develop industrially, due to the historic dependence on agriculture and the relatively high concentration of families in lower income categories, the state's constitution penalizes the communities which do the most to improve employment and income opportunities. Localities are permitted to levy income and sales taxes but none has used the former and cautious use is made of the latter for communities with a high sales tax can expect some loss of retail trade to neighboring towns with low or no sales tax.

The Revenue Stabilization Act also limits the amount and type of assistance which the state can provide municipalities. This act does not allow the state to issue bonds for general purposes. Bonds issued by the state are designated for particular purposes such as highways or schools and approved by the electorate. Capital improvements in areas not so designated must be financed on a "pay-as-you-go-basis," out of current funds.²⁸ When these are not available, the improvements are delayed. Since some construction needs cannot be anticipated five or ten years in advance, it is inevitable that important needs are not met under this system. This procedure also handicaps improvements in areas less likely to have public support.

In discussing these problems, the Economic Development Study Commission, a state body, indicated:

...a large part of Arkansas' capital shortage could be traced to the public's dislike and distrust of using long-term state debt to finance highways, buildings and higher education institutions.

"The unwillingness to pay interest costs and the desire to be debt-free are as injurious to logical capital formation as are over use of debt and great debt-carrying burdens that now exist in other areas of the nation," the Commission asserted.²⁹

Turning now to factors within the Little Rock area which influenced developmental patterns, topography, as in Tulsa, has been an important influence. The metropolis has two distinct topographical areas which also characterize the state and bisect it from northeast to southwest. To the south and west extends a gently rolling plain, while to the east is a flood plain of slightly lower elevation characterized by lakes, marshes and sloughs that once were river channels.³⁰ The hilly western area is known as the Interior Highlands while the more level area is the Gulf Coastal Plain.³¹ The western area of Saline County includes Quachita National Forest, characterized by steep slopes and outcropping of rock.

As one might expect, the general pattern of urban development for the past 30 or more years has been away from the flood-prone areas in the east and southeast and toward the rolling hills of the west and areas to the south. Virtually all residential development in the Little Rock area since the end of World War II has occurred to the west and southwest, with little occurring in the east in the vicinity of and south of Adams Airport. The western growth has occurred along the Arkansas River toward Maumelle Lake and to the southwest along major highways.

Population also has been moving from the innermost neighborhoods to the west and southwest. This trend is evident from census tracts which designate areas that have lost and that have gained in population between 1970 and 1975. Population decline ranges from 1.0 to as much as 19 percent. Not only tracts east of and around the central business district have lost population, but those immediately to the west which were established prior to the Second World War. This suggests that blight is spreading in the direction of the more recently developed neighborhoods.

These population trends have significant impact on city government and the public school system. Little Rock is experiencing some of the difficulties encountered by Tulsa due to its skewed growth pattern to the south and southeast. Providing services to the newly developed areas to the west, particularly water, is costly since higher elevations require pumping stations for distribution of water. The lower population densities in these suburbs also increase the cost of servicing the meters. A new interceptor sewer and treatment facilities to service the northwestern

area also requires heavy capital expenditures, although considerable Federal assistance can be expected. The costs of education also may increase rapidly as there is some evidence that enrollment in the city either is stable or declining while that in suburban areas is rising. Between 1972 and 1973, school enrollment in Pulaski County fell by several hundred, suggesting that city enrollment also fell, while that in Saline County increased by 183 youngsters.³³ The Little Rock and adjacent school districts soon may experience the spatial imbalance of school-age children manifest in partially empty schools in older neighborhoods and overcrowded schools in the suburbs. If this condition grows more severe, the financial burdens on the school system would increase rapidly.

Little Rock's plans for development are influenced by and often must take into consideration the presence of a fairly large incorporated municipality north of the Arkansas River, North Little Rock, which had a population of over 60,000 inhabitants in 1970. The city of Jacksonville, close to 20,000 residents in 1970 near the Little Rock Air Force Base, also signifies growth north of the river in a northeasterly direction. Both cities constitute, to some extent, bedroom communities for Little Rock.

Various developmental programs in Little Rock have been affected by competing efforts in North Little Rock. These involve, for example, plans for developing a park along the riverfront, construction of or improvement of convention facilities and efforts on the part of both cities to construct slack water ports. The need to avoid duplication and to coordinate activities which could be mutually detrimental if carried out independently, places a premium on intercity leadership contacts. At the time of writing, efforts to improve cooperation between the administration of the two cities seem to be succeeding, and directors of the two chambers of commerce have agreed to a merger.

The presence of large cities north of the river also signifies the difficulties in any effort by Little Rock leaders to implement a "growth strategy." Controlling growth in the metropolis would require some type of structure involving the leadership of the various municipalities and agreement on the basics of the strategy.

Little Rock has a number of important advantages in its efforts to accomplish economic and population growth. These include institutions of higher learning, especially a branch of the University of Arkansas, which includes an undergraduate college and a variety of graduate and professional schools, such as medicine, law, nursing, social work and technology. The city also has four other colleges. These institutions provide a variety of courses and programs which employees of firms and companies can take as time permits. The city also has eight general hospitals which provided in 1967, close to 2,000 beds. It is anticipated that additional hospital facilities will be needed to accommodate the growing population.³⁴ The city also possesses a renowned arts center and a natural history museum in MacArthur Park in the downtown area. The city has an auditorium seating 3,000 persons, a coliseum and livestock exhibition buildings.

INTERPRETING LITTLE ROCK

Several factors are of considerable importance in seeking to understand the city's reaction to the port, its development, and the problem of metropolitan growth. The history of the city differs in at least several respects from that of Tulsa. The latter developed initially as a center for a growing petroleum industry. For the hundreds of persons who participated in this industry, risks and uncertainty were high along with the opportunity for amassing vast amounts of wealth. Those who were successful were the more daring and opportunistic. During its formative years, Tulsa was dominated by a small number of enormously wealthy men who thought in the same large-scale terms that had permitted them to realize in their lifetime the great wealth which the economy of the nation provided the fortunate few. These men and members of their families applied to the community the perspectives which helped them become successful in the petroleum industry. They were not deterred either by high costs or risks in accomplishing innovative and costly developments. These men established the precedents and traditions which subsequent leaders sought to emulate, manifest in the effort to gain the navigation system and in the current balanced growth development plan.

The leaders of Little Rock operate in circumstances which, over the years, have presented serious obstacles to development. This had led to expectations of the possible below those which characterize wealthy oil families. For the latter, any plan may be possible regardless of difficulty. For Little Rock, on the other hand, programs which may be feasible in other cities may be difficult to implement locally. Many of the circumstances responsible derive from features of state government, from the aftermath of the 1957 school desegregation and from certain aspects of local leadership. Not only are expectations of horizons lower in these circumstances, but in some segments of local leadership there is a pessimistic viewpoint, the idea that many changes are unrealistic or exceedingly difficult to carry out. At the same time various circles of younger men have succeeded in promoting several ventures similar in some respects to those occurring in Tulsa. These include a plan for riverfront park development, improvements in the central business district, and an active historic preservation group with a special concern for the district in which the state capitol and government buildings are located. A first step in managing urban growth also has been taken. Port development, in several respects, has proceeded at a respectable pace despite some important restrictions discussed below.

Apart from the state constitution and laws which limit the revenue raising capabilities of Arkansas cities, the handling of the school desegregation issue in Little Rock still influences the actions and attitudes of local leaders. This set of circumstances alone would explain any "pessimistic attitude" toward growth prospects which may have existed among local leaders in the sixties. The city became a pawn in a game played by the governor and President of the United States. The use of

Federal troops to insure compliance with the ruling of the Supreme Court instantly made Little Rock a national if not international symbol of segregation and resistance to the Federal government. The city was perceived as clinging to the traditions of the old South and beset by racial strife. City leaders have been highly sensitive to any incident or set of circumstances which seem to present these characteristics to outsiders. They have been struggling to overcome this part of local history since 1957.

Several recent events signify the concern over the way in which the rest of the nation "perceives" Little Rock and Arkansas. Local leaders were quite disappointed with the way in which Little Rock was presented to the nation on the NBC television program, The Today Show, as part of the coverage of the bicentennial year. The program focused mainly on folk music and crafts of the Ozarks and the current view of the '57 school integration event by the man who had been president of the school board. The program provided a limited view of the city and state due, in part, to the emphasis on folk art and neglect of recent progress in the economy and the arts. The former president of the school board emphasized the power of the Federal government rather than subsequent progress in race relations. This strengthened the impression of recalcitrance. In contrast, great enthusiasm greeted the appearance of a story on the front page of the New York Times at the start of the 1976 school year on the progress which had been made racially and educationally in the city's public schools. The story so pleased local leaders that the public relations firm employed to "tell" the Little Rock story sought to take credit for this news event, a circumstance which prompted a detailed denial by editors of the newspapers.

The New York Times also was involved in events which led to the employment of the public relations firm. An article by Julian Bond on the election campaign included a picture of a poster entitled "Remember Little Rock" which showed two students escorted by a rifle-carrying soldier.³⁵ The editorial circulated widely among local leaders. The Chamber's executive director used it to obtain support for a nationwide public relations campaign to overcome this type of bias through presentation of a more accurate and favorable view of present-day Little Rock.

Sensitivity to the nation's view of Little Rock and Arkansas was due to more than civic pride. A negative view of the area would make it difficult, to say the least, to persuade various corporate leaders to give Little Rock serious consideration as a possible location for a plant or office operation. Attracting conventions and tourists also would be handicapped. The effort to overcome bias was part of the overall effort to encourage economic development that included the port as well as industry and tourism.

Financing the public relations campaign was difficult since the hotel/motel tax used in Tulsa and Muskogee for public relations activities had been designated for promotion of conventions. Member firms financed

the campaign by agreeing to increase payments to the Chamber. A three year campaign to cost \$150,000 was initiated in 1976.

Apart from leader concern over growth prospects for the community, the conflict over school desegregation had at least one other important result. The leadership generation of that period retained positions longer than had been customary in order to hold the city together and to initiate steps to overcome the notoriety occasioned by the conflict. Several current leaders consider this circumstance responsible for the existence of a "leadership vacuum" in the 30 to 45 year age group expected to take over responsibilities for community policy making in the next 5 to 10 years. Table 6-1 in Chapter 6 indicates that at least in the area of economic and community development this view of a "leadership vacuum" is incorrect. One-fifth of the city's leaders is in this age category, similar to that for Tulsa and other cities. Several recent personnel changes in key organizations have strengthened this younger leadership category. These include employment of Bill Perry in 1974 as the executive director of the Chamber of Commerce. Perry took this position in preference to the directorship of the Tennessee Industrial Development Commission. Carleton McMullin was employed in 1973 as city manager after serving for 11 years in a comparable position in Oak Ridge, Tennessee. A few years after his employment, he persuaded city directors to initiate a growth policy study. The elevation of Sheffield Nelson as president of Arkansas Louisiana Gas at the age of 31, also in 1973, added a bright and energetic young man to the ranks of the city's leaders. Other young men and women are active in important areas of community activity, especially downtown improvement and historic preservation.

If the view of a "vacuum" among younger leaders is incorrect, an alternative explanation should be considered. This complaint may signify a feeling that current leadership is too conservative, too cautious. Comments were expressed by a number of leaders that Little Rock, until a few years ago, had been a "self-satisfied community," that some industrial leaders feared the competition which new plants might produce, and that some influentials are not in favor of increased industrial development but prefer to have the community retain its position as a distribution and service center. One official felt that a "defeatist attitude" was strong among Little Rock leaders; they doubted that progress could be made. The belief about a vacuum among younger leaders explains the conservatism of reigning leaders by stressing the absence of challenges from younger men expected to be bolder and more innovative.

Conservative leadership attitudes or a "low" level of expectations on results from development programs may not suffice to explain certain features of port and industrial development and the growth management effort discussed below. This conservatism exists within a structural framework that has generated events and happenings that may have reinforced such beliefs. We have discussed the fiscal problems of cities and the difficulties created by the conflict over school desegregation.

City government has a weak mayor system that discourages able men from seeking that office. The mayor is selected by the city directors and not by the voters. Most mayors could not acquire power based on public opinion under this arrangement. In addition, the city manager and not the mayor has the power to nominate persons to positions on important bodies such as the port authority. Under these circumstances, able and ambitious men interested in a political career would not seek the office of mayor. A strong city manager, on the other hand, seems essential for effective city government.

The recent energy situation also seems to confirm the view of those influentials who emphasize the existing impediments to development efforts. For the time being Arkansas Louisiana Gas cannot provide gas to new industrial customers; supplies must be reserved for current users. This decision came after the company was ordered in 1976 to provide gas to a firm in another state. This has hampered industrial development in southeastern Arkansas, in Pine Bluff as well as Little Rock, and is a setback for the leaders and groups which have been active in the effort to bring industry and business to the Little Rock area.

In assessing the influence of these past and present factors on leadership behavior, caution must be exercised. Major development efforts are underway in Little Rock at the same time that some leaders manifest pessimism. This results in a situation wherein it is difficult to identify a set of objectives to which all major leaders and organizations subscribe and which represent the focal point of collective effort. The situation in Little Rock is more diverse as various groups operate with some degree of autonomy. This condition may be characteristic of an early stage of metropolitan development, of dissensus among leaders, or both. These circumstances are reflected in the current effort to formulate a growth policy for the community.

GROWTH POLICY

At the time of writing, various agencies in Little Rock were moving cautiously toward development of a uniform "growth policy." The process both resembled and differed from that which occurred in Tulsa. In both instances the initial steps were taken by agencies of city government; outside consultants played an important role in data collection, problem analysis and in suggesting courses of action. The Little Rock program, however, is more restricted in scope and limited in objectives. It is concerned mainly with land use and distribution of municipal services. The growth study aims to develop guidelines for handling growth that has occurred and will occur in the near future rather than to determine the type and degree of growth which is preferred.

A study of municipal services and finances by a west coast consultant firm was initiated in 1975 by the city manager and Board of Directors. The study focused mainly on the problems which the city currently faced

and which would become increasingly serious if the recently approved annexation of 55 square miles of territory--roughly doubling the size of the city--withstood legal challenges. The city faced the problem similar to that in Tulsa of improving older neighborhoods to halt decay while newer areas at the periphery required an expensive infrastructure and services. The fiscal problem was complicated by the higher costs required for serving areas to the west due to the higher elevation. The consultants collected and analyzed the facts on these problems and suggested policy alternatives. After the city directors selected a growth policy, the consultants developed guidelines for implementation on such matters as zoning and differential rate charges for services by area of the city.

In conducting the study that led to the selection of a growth policy, two organizations were conspicuous by their absence--Metroplan and the Chamber of Commerce. Pulaski and Saline Counties, the planning agency for the metropolitan area, had not been asked to participate. City officials were largely concerned with policy which could be applied to the service problems faced by city government and not with area problems. A study prepared by an outside agency also might appear to be more objective and thereby ease the task of gaining public support for the preferred policy alternative. Focusing the study on matters concerning municipal finance and zoning matters also may have contributed to exclusion of the Chamber's research staff. Development of policy on broader issues of economic and population growth, on the "mix" of economic functions, and the overall pattern of spatial structure were not included in the growth study.

The study was intended to assist local officials in meeting the needs of a city growing in population and territory. Guidelines were needed for determining matters of land use and provision of services. The need for some overall policy on these and related questions seemed urgent since Little Rock had added 14,000 acres since 1960 with the prospect of doubling in area if the courts validated the outcome of the 1976 annexation election. The cost of providing services to these outlying areas might exceed the revenues obtained from residents. If the latter proved to be the case, the quality of services in developed areas of the city could decline.³⁶ Land use decisions for outlying areas also would have a considerable impact on the environment, population growth, and the need for services and revenue inputs to the city treasury. The need for policy on anticipated land use proposals seems to be the major concern of city government and of the growth study for the consultants state:

The most often expressed concerns about growth relate to the impacts of specific development projects on the immediate area and on the rest of the city. Decisions on individual rezoning have raised the greatest amount of concern. There is a growing sense that guidelines and criteria for making these decisions, as well as the required information, are wholly inadequate....³⁷

At the end of the first phase of the growth study process, the consultants set forth four policy alternatives with varying emphasis on the needs of undeveloped relative to developed areas. The city directors adopted a fifth policy which sought to be evenhanded in providing services to new areas in a way which did not neglect the needs of established sections. New development would not be at the expense of taxpayers in older areas.³⁸ The need to upgrade and improve those areas around the central business district which had been losing population was not stressed. Little concern was expressed overtly over halting or slowing down the abandonment of older neighborhoods and the shifting of population to the west and south, as indicated in Figure 7-1.

In the fall of 1976 the consultants informed the Board of Directors of alternative methods for implementing the growth policy. These measures were similar in seeking to finance the improvements mainly by fees on recipients rather than by all users of city services. The consultants hoped to avoid the customary practice whereby residents of established areas subsidized the extension of services to developing areas. These measures included charges which varied with the cost of providing services and variations in permit costs. Imposition of new taxes such as sales, income or finding some method of raising property taxes also were considered. Encouraging construction in established neighborhoods through various incentives such as waiving permit and other fees also received consideration. Final decision on the matter was not expected for several months.³⁹

Some indication of the costs involved in meeting the needs of areas in west Little Rock can be gleaned from the disposition of the funds provided by the \$14.85 million bond issue approved by a four-to-one margin in the fall of 1976. This issue would use the 3.75 mills voted by citizens for municipal improvements in 1975. Most of the funds would be spent in West Little Rock, including more than \$2½ million for widening a road which carried more than 23,000 cars daily.⁴⁰ Token opposition was expressed by an organization of black leaders and by ACORN, a civic association which had become a spokesman for the working class. The opponents contended that too much money would be spent in West Little Rock. While opposition was mild, it was an indicator of a cleavage which could become far more serious if the growth policy failed to address the problems of the older neighborhoods in the inner city. Continued shifting of population from neighborhood in the inner city to the fringe areas would increase the spread of residential decay. This pattern of population redistribution also could thwart current efforts to strengthen the central business district by developing a riverfront park and pedestrian mall. The current growth policy process should be the first step toward development of a more encompassing policy for the Little Rock metropolis.

Port Development

Little Rock leaders, in comparison to those in Tulsa, Muskogee and Pine Bluff, have been less enthusiastic in overt responses to Little Rock's conversion to an inland port city. Several factors suggest that leaders

do not see the port and waterborne commerce playing as critical a role in the economic development of the area as leaders in these other port cities. First, during the election on issuing bonds for port development,

...There was no large-scale promotional campaign in favor of the development of a port as was observed in Pine Bluff, Muskogee, and Tulsa...⁴¹

Turnout was very low, less than 5,000 in a city of more than 130,000 inhabitants. The \$4.3 million bond issue carried by a little more than 200 votes. A second bond issue six years later in 1970 also brought out a small number of voters, about 2,000. The margin of victory, however, was better than eight to one. ⁴²

Second, relatively few leaders expressed the belief, as occurred often in Tulsa and Pine Bluff, that the navigation system had made an important contribution to economic growth, had strengthened leadership confidence in prospects for growth, or both.

Third, Little Rock leaders did not commemorate the fifth birthday of the waterway by hosting a party in honor of Arkansas Senator John McClellan, as had Tulsa leaders. No ceremony was held to mark the birthday of the port and call attention to the importance of the waterway.

Fourth, the 1975 phonebook had no listings for businesses whose name began with "port city" compared to 17 for Tulsa, 8 for Muskogee, 3 in the Forth Smith-Van Buren area and 4 in Pine Bluff. Public opinion in the Little Rock area does not have an adequate appreciation of the importance of the port and waterway. If true, public opinion may reflect the thinking of local leaders. Various features of the organization of the port authority which limit development capabilities seem consistent with these indicators of weak leader commitment to water transportation. While the port authority can issue bonds, including Act 9 industrial bonds, to build and equip facilities for firms which intend to locate in the port's industrial park, improvements in port facilities are not financed in this manner.

Improvement is financed from current earnings which derive mainly from the sale of land. This arrangement compels the port authority to sell land to industrial customers regardless of the need for a location at the port. Most of the firms in the industrial park are not using and have no future plans to use the navigation system. Once the industrial park is filled, plants which wish to use the navigation system will have to bypass Little Rock. Since much of the tonnage at the port presently serves a limited economic function, a downturn in this activity can leave the port authority without any other large users to take up the slack.

A second constraint pertains to staffing. Until 1976, port management consisted of one man, the executive director. For several years the man filling this position had the major responsibility for developing and publicizing the port, supervising administrative details and recruiting industry. With the addition of a full-time assistant in 1976, port

management initiated for the first time an industrial recruitment program. Employment of a specialist in this field, however, would greatly improve prospects for success. From this standpoint of manpower capabilities, the present level of success in filling the industrial park and developing various facilities are major accomplishments.

Policy on the sale of land constitutes a third constraint. By agreement with the city manager and Board of Directors, the port authority must sell land at a price adequate for financing capital improvements. Presently this price is set at \$15,000 per acre. This fixed price led to a crisis in negotiations with executives of Corn Products who were interested in establishing a facility in the port's industrial park. Since company representatives insisted on a figure several thousand dollars below the asking price, negotiations were stalled. A local organization, Fifty for the Future, contributed the difference between the asking price and the company's offer. Best Foods spent \$30 million to build and equip a 160,000 square foot facility and is expected to employ 300 persons. The plant will open in 1977 and will manufacture peanut butter.

While this transaction had a happy ending, the matter which caused the problem suggests the possibility that some firms may have been lost by the port authority's inability to offer concessions on the price of land. It would be too much to expect that Fifty for the Future, an organization consisting of wealthy Little Rock residents established approximately 15 years ago to provide funds for worthy community activities which could not be otherwise financed and to help organizations meet unanticipated exigencies, could come to the port's rescue again and again. Under these circumstances, some firms interested in locating in the port's industrial park may have located in other towns if the Authority could not be competitive on the price of land. The number of jobs and value of payrolls lost as a result of this situation is unknown.

Consideration of the constraints imposed on the port authority--limited manpower, inability to negotiate on the price of land, and necessity to finance capital improvements from current income--suggests that the city's leadership, perhaps unintentionally and unknowingly, used the navigation system and the port facility for purposes other than those for which they were designed. To date the port has been used mainly as another instrumentality for industrial development for the Little Rock area and not to encourage development of those activities requiring water transportation. The situation is similar to that in Muskogee where the city council used the port authority to finance an improvement in the sewage disposal system.

If this conclusion is substantially correct, the factors responsible should be considered. The structure of the Little Rock economy and the traditional place of the city in the state's network of cities seem to be the major factors. The cities whose leaders have been most supportive of the port and most convinced that water transportation will encourage long-term economic growth are those whose economy involved both substantial shipment of goods by barge and those that have benefitted greatly from

railroad freight rate reductions. While the latter has benefitted some firms in the Little Rock area, the collective advantage seems limited by the modest size of the metals industries as shown earlier in the chapter. This view is supported by the fact that only 20 percent of respondents, as compared to 53 percent in Tulsa, indicated the belief that reductions in freight rates had made an important contribution to area economic growth, Table 4-5. Little Rock also has been strong in areas for which water transportation has no important function, state government and as a distribution center. The absence, until recently, of serious economic challenges from other cities in the state does not compel the leadership to be innovative. Nor does the leadership seem to expect the benefits from the waterway in the years ahead which leaders of Tulsa, Muskogee and Pine Bluff anticipate. Consistent with this interpretation is the finding of a recent study of the Little Rock port that management was understaffed and lacking in aggressiveness. The report preferred a strong decision-making role for the port director to collective management by the board of directors.⁴³ Relaxation of fiscal and other constraints on current port administration which is exhibiting more aggressiveness and expertise in industrial development would signal a change of attitude on the part of city leaders toward the navigation system's anticipated impact on area development.

Port Facilities

Port management has been able to work within these various constraints in developing port facilities since the opening in 1969. From the standpoint of operating expenses, the authority is in sound condition with a large balance and the ability to meet the deficit involved in operating the port railroad. As a result of a rate increase of 89 percent effective April 1977, the Little Rock Port Railroad is paying its own way. Two important areas of change are under consideration. The first concerns the possibility of moving grain through the port, a matter under study by a private firm. Shipping grain had not been considered feasible since the port is located many miles west of the agricultural areas in southeastern Arkansas. However, a firm using the grain storage facility in North Little Rock has expressed a preference for operating at the port if adequate facilities were available. Should the consultants provide a positive answer, financing would be sought from Federal, state and local sources.

Since the current is strong in the area of the port, considerable time and fuel are consumed during the docking, loading and unloading process. A slack water port would be a major advantage, a matter which has been under consideration for several years. Inability to make a commitment on a slack water port in 1976 may have cost the community a large plant that needed this type of facility. Port management now hopes to construct the port. The Section 404, PL 92-500, permit for the slack water harbor has been issued by the U.S. Army Corps of Engineers. The harbor will be 6,000 feet long and 400 feet wide. This will add an additional two miles of waterfront area to the already existing 2.5 miles of waterfront. Construction is expected to begin as soon as financing can be arranged.

The authorization for a Foreign Trade Zone was received in 1972. A 5,000 square foot section of a 30,000 square foot warehouse was set aside for its operation in 1975. The first user of the zone was obtained in 1976 when a foreign concern shipped an expensive electronic microscope to the zone's warehouse. Although use of the zone has been very slow in developing, it provides an asset which various groups in the area, The Exporter's Roundtable discussed below, the international trade departments of the banks and the Chamber could promote as part of their normal activities. Developments at Little Rock in this regard have been noted elsewhere.

Highway access to the port will be greatly improved when the East-Belt Freeway connecting I-30 and I-40 is completed. The freeway will pass close to the north side of the port's industrial park and make movement in and out of the port much faster. The road presently serving the area is two lane and very congested at various times during the day.

Port Tonnage

Tonnage handled by the port in 1976 was the second highest since the port opened in 1969, close to 560,000 tons, an increase of 33 percent over 1975. This amount was exceeded by the 700,000 tons which moved through the port in 1974.

Inbound tonnage was roughly 80 percent of the tonnage handled by the port and consisted largely of bauxite from South America. The imported bauxite, which is of high grade, is mixed with the low grade variety mined in Pulaski County, the nation's leader in mining this mineral, and used in production of aluminum by Reynolds Metals and ALCOA, which have plants in the Little Rock area. Due to the port's heavy reliance on bauxite imports, tonnage dropped markedly when shipments ceased for a nine-month period in 1975 and early in 1976. Bauxite represented two-thirds of all tonnage handled by the port and a still larger proportion of the inbound freight.

Comparison with Tulsa's Port of Catoosa highlights some of the differences in the functions of the two ports for the economies of the respective metropolitan communities. Tulsa had roughly the same proportion of tonnage outbound as Little Rock had inbound, 80 percent of the total. The two principal outbound commodities were grain and bulk liquids, mainly heavy fuel oil. The movement of these commodities signified the importance of Tulsa for refining oil and its strategic location at the head of navigation relative to grain producing areas in western Oklahoma, Kansas and other states. In contrast, most of the goods produced in the Little Rock area are transported by truck and rail. Capturing some part of the market for transporting grain would help equalize the inbound-outbound ratio and enable more barges to leave Little Rock with a cargo than is presently the case.

Steel is the major inbound commodity for Tulsa, more than 94,000 tons in 1976, and 63 percent of the tonnage coming into the port. Slightly less than 41,000 tons of steel were transported to Little Rock's port, roughly 10 percent of the total, which was dominated by bauxite. While some of the steel entering Tulsa's port was used for construction purposes, most was used by firms manufacturing heat exchangers, drilling equipment and related machinery. However, the movement of steel to Little Rock has been growing steadily since 1974 when slightly more than 9,000 tons were imported. This growth suggests the increasing use of the port by the metals industries in the metropolis, which also uses three machines at the port owned by a private firm for cutting steel coils in various lengths.

INTERNATIONAL TRADE

As in the case of Tulsa, the opening of the waterway increased the involvement of Little Rock and Arkansas firms in international trade, a circumstance which led four downtown banks to establish international trade departments. These departments were set up partly to provide services to customers and partly to prevent the loss of this business to other banks, especially those in other states. The volume of business in this area was not large during the initial years and one bank closed its international department; the staffs for the remainder are small, consisting mainly of one or two persons and a secretary. However, establishment of these departments were significant for several reasons. First, certain specialized services now were available locally which previously could be obtained only from correspondent banks outside the state. The international trade departments represented an improvement in the services for businesses available in the city. Second, the men in these departments acquired additional expertise as the volume of international trade increased and expanded into different countries and regions of the world. Third, the personnel in these departments could provide expertise and assistance for the groups associated with the port's Foreign Trade Zone, the Exporters Roundtable and the AIDC's Brussel's office, to expand the involvement of firms in Arkansas in international activities. Fourth, due to contacts with foreign businessmen and travel overseas, staff members would help educate local business leaders on the state's present and potential position in international trade and the world economy. This could help break down provincial views and possibly encourage bolder thinking about solutions to local problems.

The foreign trade departments provide a variety of services for customers of the banks. These include fairly routine activities such as obtaining foreign currencies, arranging letters of credit, writing letters of introduction to foreign banks, and changing foreign currencies into dollars. Other services are more complex and involve transactions between enterprises such as collection of sums in payment for export sales, arranging payment overseas of a local firm's obligations, obtaining credit information on a foreign firm and gathering information on various overseas markets.

Several or all of the banks with international trade departments have made loans to concerns engaged in overseas activities. One bank, for example, provided credit to an Arkansas manufacturer who opened a sales office in London. Expertise on the loan guarantee programs of the Federal government is exemplified in the prospect of providing a loan to an Arkansas firm doing business in Australia. Other activities were carried out in Italy and Syria. In the years ahead the international departments may participate in U.S. bank syndicates and/or in a consortium of banks from different countries in making overseas loans. Opening branch offices in one or more overseas cities also may occur in the not-too-distant future. Regular use of containerization on the Arkansas River may bring these events to pass sooner than otherwise might be expected.

INDUSTRIAL DEVELOPMENT

A variety of agencies, both local and state, are involved in the effort to bring industry to the Little Rock area and to the port. For many years the two utility companies had conducted a vigorous program of industrial recruitment. More recently, with the development of the state and problems in obtaining rate increases, funds for industrial recruitment which included the sending of representatives to various areas of the country, have been severely curtailed. Most of the current activity is sustained by the Arkansas Industrial Development Commission, the Chamber of Commerce, and the port authority staff, with some assistance from the Exporters Roundtable. The association established by the port operators soon after the waterway was opened also seeks to expand the role of the ports on the Arkansas River.

As indicated elsewhere, the state agency for industrial recruitment has been very active for many years and is the principal agency performing this function. Most every community in the state interested in expanding its economic base, including Little Rock, relies on the agency to bring industrial prospects to their area. The Chamber of Commerce in conjunction with other chambers in central Arkansas, occasionally finances trips to various regions of the country to contact firms with an interest in establishing an office or plant in the South. The Little Rock Chamber also has financed a three-year public relations campaign at a cost of \$150,000 to improve the area's image throughout the nation. For some months leaders have discussed the possibility of merger with Chamber leaders in the metropolitan area. A merger of the Little Rock and North Little Rock Chambers has been arranged and should be finalized in 1977. This pooling of resources and reduction of intercity rivalry should strengthen the development program.

The Exporters Roundtable is similar to the Tulsa World Trade Association. Executives of firms which have an interest in international trade meet regularly to discuss common problems, exchange information on conditions in various foreign countries, and hear speakers from state agencies, the United States Department of Commerce and from foreign

consulates. The Roundtable periodically sponsors seminars on foreign trade but more may need to be done to publicize the port and the navigation system.

The port operators association, while important, has not been a leading force in development. It meets several times a year and has facilitated the exchange of information on various aspects of the operation of the navigation system. Representatives from barge companies and the Corps of Engineers are present occasionally to inform members of recent developments or discuss specific problems. A meeting also was scheduled for early 1977 with representatives of a steamship company on prospects for introducing containerization on a regular basis. Progress in this area could greatly increase use of the navigation system.

The organization of industrial development activity in the Little Rock area differs in one respect from that in Tulsa and Muskogee. Several authorities have been established in the latter cities as agencies of city government but administered by leaders from the private sector which can establish industrial parks and finance necessary improvements through tax free municipal bonds. The activities of these authorities and the management often are part of the industrial development effort of the local Chamber of Commerce. City officials maintain a measure of control through the power of the mayor to appoint directors and to serve as an ex officio director. This type of agency represents a combination of private interest in development and community need. The proposal to develop an industrial park in the far north section of Tulsa as one phase of a plan to modify the spatial organization of the area exemplifies this merger of public and private interests.

All industrial development agencies in the Little Rock area are private. No authorities exist similar to those in the Oklahoma cities. While this circumstance does not seem to have hindered local efforts to expand industrial activity, it may create a problem in coordinating the location of industrial parks with public policy on area growth. There has been considerable growth in industrial parks in Little Rock in recent years. The metropolitan area had only two industrial parks in 1961 containing approximately 2,000 acres; there were eight in 1975 with more than 8,000 acres.⁴⁴

The Industrial Development Company of Little Rock is one of, if not the most, successful development firms in the area. It developed and operates two industrial parks--Little Rock Industrial Park with 1,000 acres, and Little Rock South Industrial Park with 1,400 acres. It includes as tenants some of the largest employers in the metropolitan area, such as Timex with about 2,000 employees, Ottenheimer with 1,100, Teletype with over 1,300, and AMF with over 700 workers. The president, Everett Tucker, served as the industrial manager of the Chamber of Commerce for 10 years before joining the Industrial Development Company. The policy of cutting the price of land to avoid losing a prospect has been an important factor

in the company's success. Willingness to negotiate the price, for example, enabled Tucker to bring Allis Chalmers to the community. In this respect Tucker's group provides the port authority with serious competition, as indicated earlier.

For the time being, however, all industrial recruiting activity is severely handicapped by the shortage of natural gas. The Arkansas Louisiana Gas Company which serves eastern Arkansas, announced in the summer of 1976 that it was not able to meet the needs of any new industrial customers. This situation brought to a virtual standstill all industrial recruiting activity in the Little Rock area. The AIDC at present is not seeking firms for the Little Rock area which require large amounts of natural gas. This situation cost the port's industrial park one company which located in western Arkansas, an area served by a different gas company and possibly a second prospect.

RIVERFRONT DEVELOPMENT

A major effort is underway to utilize the Arkansas River for purposes which were impractical prior to completion of the navigation system. There is a growing awareness that the river is an aesthetic and recreational asset of considerable importance. This has resulted in a conscious effort to better integrate the river physically and functionally with social activity in the metropolitan area. This effort also is related to the plan for improving the central business district in a manner similar to that taking place in Tulsa. Plans for a riverfront park have been prepared which include a large area extending from the Petit Roche, the rock which gave the city its name near Main Street, to the western part of Pulaski County. Passage of the bond issue permits the first stage of this development to begin, with three quarters of a million dollars to be spent for acquiring land and preparing a park along the river in the area which includes the "little rock." Another program is underway for the downtown which will be connected with the riverfront park. A mall will be developed on Main Street that will be linked physically with both the riverfront park and MacArthur Park. The mall plan is spearheaded by Metrocentre, an offshoot of Little Rock Unlimited Progress, Inc. Attempts are being made to improve the exhibition and civic center in the downtown area. An improvement district has been established to finance and manage the project which requires a \$4.5 million bond issue. Property owners in the mall area will pay special assessments for meeting the costs of the "cosmetic changes" such as placing utilities underground. These efforts to rejuvenate the c.b.d. coincide with the current effort to make the area more attractive for persons and families seeking a downtown residential location. Over an 18-month period, 500 housing units will be built near the business district, taking advantage of proximity to MacArthur Park. If plans for riverfront park, Metrocentre, and downtown housing succeed, the c.b.d. should experience a renaissance of interest and activity.

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SOCIAL IMPACTS OF MCCLELLAN-KERR NAVIGATION SYSTEM: A STUDY OF —ETC(U)

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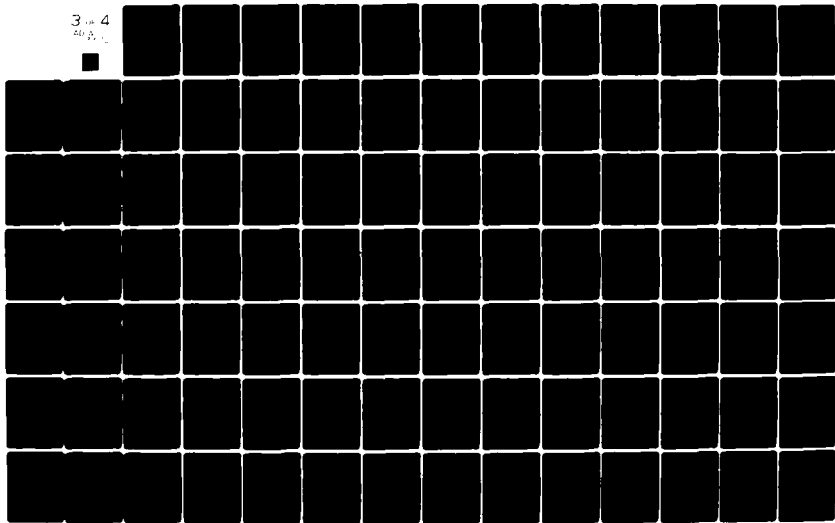
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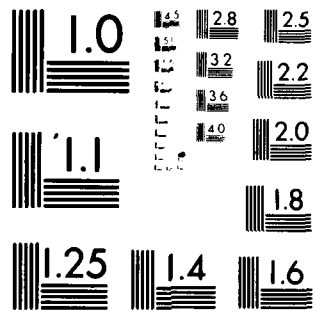
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MICROCOPY RESOLUTION TEST CHART

NATIONAL BUREAU OF STANDARDS-1963-A

Development of the riverfront park not only will change the landscape and cityscape, but provide a facility for pleasurable social activity in close proximity to one of the most strategic areas of the metropolis, the central business district. The opportunity to stroll and play along the river when visiting downtown will unite the river and the commercial center of the urbanized area in a way which is far more noticeable and obvious to users than is possible by the port whose contribution is recognized mostly by various users and by beneficiaries of freight rate reductions. Utilization of the river as an aesthetic and recreational asset should strengthen public support for port development. The park should also provide important benefits in terms of recreation and aesthetic pleasure for people who have not benefitted from existing use of the river. This includes two excursion boats which make regular trips on the Arkansas River during the summer, and a yacht club. As one might imagine, the latter is popular among wealthy families with an interest in boating. It is widely used, however, as a retreat from the city. Many members retire to their yachts for the weekend, visiting with neighbors and enjoying a few libations. For these members, boating is incidental to the social benefits of relaxing with friends on the river.

SUMMARY AND CONCLUSION

The leaders of Little Rock have not yet reached consensus on the economic future of the metropolitan area. While important projects are underway to cope with the various consequences of growth, such as downtown redevelopment, the riverfront park, policy on land use and services, and the question of the economic mix does not seem to have been addressed. Until this matter is settled, the place of the port in the future of the metropolis will be uncertain. The major question is whether leadership wishes to expand industry's place in the local economy, continue the historic emphasis on distribution and government, or to emphasize each function to an equivalent degree. A decision to expand the role of industry also will give the port a more strategic role in the economy. The outcome of these matters will provide a test of the political strength of the groups supportive of the port and the waterway, the members of the port authority, the local businessmen engaged in overseas trade, the international trade departments of the local banks, and key people at the Chamber of Commerce.

The signs of progress in the Little Rock area are unmistakable. A relatively modest investment in port development of slightly less than \$8 million in local and nonlocal public funds has provided a facility which is close to Tulsa in tonnage and produces revenue sufficient to meet operating costs. Several major corporations have built plants in the port's industrial park, namely General Electric and Corn Products. As the former annually renews an option on additional acreage, the possibility exists that a manufacturing facility will be constructed utilizing steel transported by water. The steady increase in inbound shipments of steel since 1974 also signifies a growing dependence of the local metals industry on the port.

Current efforts to improve certain sections of the Little Rock area should make the community even more attractive for industrial plants and other corporate activities. These include plans for the riverfront park, pedestrian mall, and additional housing in the downtown area. The current growth study represents the first step in an effort to manage population and economic growth, although focusing for the moment on control of land use and provision of services in the fringe areas of the city. Progress also is evident on other fronts, as the merger of the Little Rock and North Little Rock Chambers of Commerce and public relations campaign to inform the nation that an improved Little Rock exists in the "New South."

Note also must be taken of decisions which may turn out badly, especially the necessity to finance capital improvements at the port from current funds, not bond issues. In a few years the industrial park may have no room for plants which require a port location. Under these circumstances, a reduction in importation of bauxite could put the port authority in a precarious financial position. Other fiscal restrictions have limited management's ability to recruit industry and publicize the port's facilities. From the very outset, the Little Rock Port Authority reserved only one-third of the 1,500 acre Port Industrial Park for the sole use of water transportation oriented industries.

Little Rock leadership has not adequately dealt with a number of issues critical for the community and the port. Apart from the economic questions mentioned above, patterns of spatial organization need to be considered. Should growth to the west and southwest be encouraged? Should a serious effort be made to rehabilitate the decaying neighborhoods in the central areas of the city? The future contribution of the port and navigation system will depend on the answers to these questions. External forces also will play an important role in Little Rock's future, especially the way in which the current fiscal crisis in the state is resolved and the availability of natural gas. Failure in one or both areas would be major setbacks to development.

PART B

ARKANSAS SMALLER METROPOLITAN COMMUNITIES: PINE BLUFF

INTRODUCTION

The navigation system has had as great an impact on the Pine Bluff areas as on any other urban area along the River. Community leadership is united on the desirability of industrial growth and has created an organizational apparatus that has operated effectively to bring this about.

Pine Bluff resembles Tulsa in willingness to take serious risks and commitment to local development. Enthusiasm is so strong concerning present and future prospects that the types of financial problems that beset Little Rock and Fort Smith are barely mentioned in Pine Bluff.

Enthusiasm and confidence in the future is evident in areas other than industrial development. By reducing the frequency and severity of flooding, the waterway restored many acres of rich bottomland to agricultural production, and made the city more attractive to investors. Development of the port has made Pine Bluff a center for worldwide commerce for selected products and agricultural commodities. Most local leaders believe that the waterway has brought a new and better era to southeast Arkansas.

Unlike Muskogee, leader commitment to growth and change preceded construction of the waterway by many years. Data presented below indicate that the city has grown consistently since 1950, suggesting that the port and its facilities have been integrated with a long-standing commitment to community development. Additional confirmation is suggested by the efforts of local groups to obtain adequate port facilities. The port was part of a larger, unwritten developmental plan shared by most leaders which had been in existence for some time, as indicated in the discussion below of the suggestion to bypass Pine Bluff in constructing the navigation system. The leadership of Pine Bluff did not undergo major revisions in examination and revision of local policy in response to construction of the system. The plans for using the system had been in existence for some time as indicated in the discussion below on the plan to bypass Pine Bluff when the navigation system was constructed.

The thrust for economic and population growth is strong in Pine Bluff due to the aggressiveness of several key leaders. Uncertainty among Little Rock leaders as to its future role as an industrial center provides Pine Bluff with an opportunity to achieve more rapid growth in manufacturing than might otherwise be possible. For whatever reason, internal commitment to expansion, perceive relations with Little Rock that appear to offer growth opportunity, or both, the commitment to expansion is strong. Local leaders also believe that whatever problems accompany growth can be more than adequately handled.

GENERAL COMMUNITY FEATURES

The economy of the city has been greatly influenced by proximity to the delta areas of southeast Arkansas, a center for cotton, rice and soybeans, and to the southern pine forests. Purchasing, processing and distributing farm products long have been major economic activities along with the paper industry, as evidenced by the presence of two paper mills. For many years the city has been an important rail center where two railroads maintained large switching yards and repair facilities. These three components of the economy have gained in importance with the city's

conversion to the status of an inland port terminus, although new industries have come to the area in recent years. Cotton will be shipped out by barge, one railroad imports diesel fuel for its locomotives and the paper mills have expanded. The export of rice, soybeans, and wheat has become a major activity.

The waterway also benefited Pine Bluff by reducing the frequency of flows which would have caused floods in earlier days. With every major flood, the city and the surrounding area lost valuable land to the river. Bank cave-ins often took land from the downtown business district near the county courthouse; many years ago the courthouse almost fell into the river. The building which replaced it later lost part of its rear wall from flooding. Levees were periodically inundated and had to be rebuilt further away from the river, a practice which removed hundreds of acres of fertile land from production. Since construction of the waterway, not one levee in the Pine Bluff area has had to be rebuilt. Many acres of valuable land have been returned to agricultural production. Land in the central business district that once had been part of the flood plain has been used for construction of the Civic Center and the Convention Center. These facts help explain some of the enthusiasm which local leaders feel for the future of their city.

Pine Bluff also is an important intermodal transportation center. It is located roughly 70 miles northwest of the confluence of the Arkansas and Mississippi Rivers, and 40 miles southeast of Little Rock. This location and the network of highways and rail facilities enables the city to serve as a distribution center for southeast Arkansas. The city is served by three Federal and five state highways, and two railroads, the Missouri Pacific and Southern Pacific-Cotton Belt. Both railroads have offices in the city with rate departments. The Cotton Belt also has its major gravity yard along with diesel and car repair shops, and a division office. Twelve truck lines provide intra and interstate service and eight operate terminals in the city. One airline provides daily service to Memphis and Dallas-Fort Worth.

POPULATION CHARACTERISTICS

In this century, with the exception of a 20-year period between 1920 and 1940, the city of Pine Bluff has grown steadily. The city had a population in 1910 of 15,102 and over the next 60 years it climbed to 57,389. The city has had strong, steady growth since 1940, with increases of 14.6 percent during the forties, 18.5 percent in the fifties, and over 30 percent in the sixties.⁴⁵ In contrast, the population of the state declined in the forties and fifties, but gained closed to 8 percent in the sixties. Pine Bluff's increase also exceeded that of Jefferson County, which declined by slightly more than 2 percent to 84,000.⁴⁷ This decline is surprising for Pine Bluff enjoyed considerable growth of industry during this time period as indicated below. On the other hand, urban sprawl may

not be as serious in the Pine Bluff area as in Little Rock since roughly two-thirds of the metropolitan area population is in the city.

These patterns of population growth indicate that the city achieved considerable population growth prior to completion of the waterway. Nevertheless, the commitment of leaders to continued expansion is quite strong. In this respect the waterway and the port fit into and have helped the plans for future economic and population growth.

The city of Pine Bluff has had a very large proportion of black residents. This proportion increased from a third in 1940 to more than 41 percent in 1970. During the same time period, the non-white population in the city and county declined from 36,022 to 35,131 and their proportion dropped from 55 to 41 percent.⁴⁸ These trends may signify migration of blacks from the county and surrounding territory to the city as employment opportunities improved. The trend may also reflect mechanization of agriculture.

The educational background of the residents of the Pine Bluff SMSA in 1970 lagged behind that of Little Rock and was slightly better than that of Fort Smith, with 11.1 median years completed compared to 12.2 and 10.3, respectively. The corresponding figure for the city of Pine Bluff was considerably higher, 11.9 years.⁴⁹ On the other hand, per capita income for 1969 was the lowest of the three Arkansas port cities, \$2,354 for Pine Bluff compared to \$3,165 for Little Rock and \$2,821 for Fort Smith.⁵⁰ Pine Bluff also had a fifth of its families in the low income category in 1970, the highest for the Arkansas port cities, but exceeded by the state of Arkansas, 23 percent.⁵¹

Manufacturing represented the principal source of employment; a fourth of Pine Bluff's labor force worked in industry, 24 percent. Wholesale/retail trade was second with 20.7 percent and government third with 18.8 percent. These three categories employed more than 63 percent of the persons in the labor force. The proportion employed in manufacturing in Pine Bluff was exceeded by 26 percent for Arkansas and 28 percent for Fort Smith, which had the largest proportion of the port cities.⁵² Despite the dependency on manufacturing, Pine Bluff had a relatively large proportion of the labor force in professional and managerial occupations--24.1 percent in 1970--which is exceeded only by North Little Rock which had 20 percent. This high figure may be due, in part, to the presence in the city of a number of institutions employing various types of professionals including a branch of the University of Arkansas, the National Center for Toxicological Research and a mental health center. Another fourth of the labor force, 23.2 percent, was employed in sales and clerical occupations. The white collar labor force of more than 47 percent, is considerably higher than the state's 39 percent, but much less than Little Rock's 59 percent.⁵³

The high rate of population growth in the city in the sixties may be due to a strong showing in industrial growth. Table 4-2 shows that the city gained new industry at a higher rate between 1969 and 1976 than for the preceding period. During the former, Pine Bluff gained an industry with over 100 or more employees at a rate of better than one every two years compared to a rate of less than one every two years for the 1951 to 1968 period. For all industries the rate was almost two per year between 1969 and 1976 compared to roughly one and one-half per year in the preceding 17-year period. As we shall see, the port has played an important role in industrial expansion since its opening in 1969.

COMMUNITY FACILITIES

Pine Bluff has grown physically out from an area formed by a bend in the Arkansas River and the intersection of three highways--270 and 65, which run through the downtown area from the northwest to the southeast, and 79, which runs from the southwest to the north. Two railroads also go through the downtown business district, a condition which causes considerable inconvenience and which has become a major project of the Chamber of Commerce. The Cotton Belt maintains an extensive railroad yard several miles northeast of the downtown area next to the Pine Bluff port. The airport is a few miles south of the port and the railroad yards.

The city at present does not seem to be as uneven in growth patterns as Fort Smith or Tulsa, but this situation may change over the years. Growth appears to be mainly to the south, west and to the northwest in the direction of Little Rock, a trend which may be accentuated when the turnpike to the state capitol is completed in 1977. Growth, on the whole, seems to be shifting in a westerly direction and away from the eastern part of the city. Limited residential development also has occurred north of the business district along Lake Pine Bluff where the campus of the University of Arkansas is located. Future development in this direction may be limited, however, by several creeks, the railroad lines and the predominately black population.

The future of the central business district will depend in part on the direction of future residential growth. If new housing areas occur in a semicircle from south to west, accessibility will not be reduced as rapidly as will occur if growth is concentrated in one or two sectors. As the city continues to grow, local leadership may have to pay increasing attention to the spatial organization of the city.

The most distinctive landmarks are the civic center and the convention center located a few blocks south of the business district and east of Main Street on "swamplike lowlands" that had been subject to flooding.⁵⁴ This fact plus the investment in these developments, especially the convention center, symbolize leadership's commitment to development, the willingness

to take risks, and the contribution of the waterway in controlling flooding. The civic center complex, which was built in the sixties at a cost of \$10 million, had units for local agencies of government, a city-county library, and a fine arts center. The complex was designed by an architect of national stature, Edward Durrell Stone. It features a courtyard with a reflecting pool and a 100-foot structure called a "Tower of Opportunity," a designation signifying the ambitions of local leadership for their community.

The fine arts building has a small theater and two galleries that have been used for a variety of exhibitions. The facility is used for theatrical products, lectures, movies and concerts.

Construction of the convention center which opened in June, 1976, signified not merely an extension of cultural activities but a planned effort to compete with Little Rock and Hot Springs for convention business. The facility, which cost \$8 million, was financed from local and Federal resources. Voters approved a \$1.8 million bond issue in 1971, and the Economic Development Administration provided a grant of \$2.3 million. The city council later contributed close to a million dollars of revenue sharing funds. Additional funds came from the county and Ozark Regional Commission.⁵⁵

The center has an arena which seats close to 8,000 persons to be used for athletic contests, political and religious gatherings and concerts. The center's auditorium has a seating capacity of over 2,000 and will be used for theatrical performances, lectures and public meetings. The center also has 60,000 square feet and 300 booths for shows, which is more space than currently available in Little Rock. The facility also has banquet facilities and parking for more than 1,000 automobiles.

While constructing the center cost the taxpayers relatively little, maintaining it in the years ahead may prove to be more costly. Local leaders have taken a calculated gamble that the city can become a center for conventions and various types of entertainment that will attract very large crowds.

The nature of the risks is indicated by the appropriations needed to maintain the center. The city council allocated three-quarters of a million dollars for operating expenses in 1976, with the money coming from revenue sharing funds.⁵⁶ Similar infusions will be needed for three or four years when it is hoped that the center will break even. There are several additional indicators of leadership commitment to expand the city's convention and tourist trade. A director was employed three years prior to completion of the facility at a salary of \$17,500.⁵⁷ Local leaders and businesses also contributed \$58,000 to launch the convention center with proper ceremonies and fanfare. The community has not skimped to provide suitable facilities and support.

Attaining the financial goal of breaking even in operating the center and significantly boosting the tourist trade will be difficult. The first event in the center, Ringling Bros. and Barnum and Bailey Circus, drew less than 40,000 persons in ten performances, while the facility could have accommodated 62,000 spectators.⁵⁸ Dionne Warwick and Elvis Presley drew capacity, indicating that the facility will need top performers to do well financially.⁵⁹ In any event, the deficit for the first year may be as high as \$100,000.

Several factors complicate the financial future of the convention center. First, any effort to boost tourism through conventions and performances by "stars" is hindered by local laws prohibiting the sale of liquor by-the-glass and package liquor stores. As many leisure time activities are associated with social drinking, the inability to obtain alcoholic beverages openly and freely hinders a community from becoming a tourist and convention center. Second, the Advertising and Promotion Council in Little Rock has responded to the challenge from Pine Bluff with demands and plans for improving convention facilities. If constructed, these improved facilities will increase the competition for convention business. Third, revenue sharing funds may not be as available in the years ahead as in the recent past. On the other hand, local leaders are seeking to modify drinking laws. While liquor-by-the-glass was defeated in a county-wide election in fall, 1976, there is a prospect that it will pass in a city election sometime in 1977.

One must assume that Pine Bluff leaders recognized these factors, and took into account the objections of those citizens who argued at a public hearing that revenue sharing funds should be spent to improve sewers and park facilities.⁶⁰ The decision to build the convention center despite uncertainty over whether or not it will be self-supporting in five years reflects a number of factors: first, the strong leader commitment to growth, in this instance of tourism; second, increased tourism would also contribute to the trend away from agriculture and related businesses to industry and commerce; third, activities at the convention center should boost the downtown businesses and aid the recently established effort to improve the community's visibility, in this instance as a locale for culture, entertainment and trade fairs; fourth, the center, by providing basketball facilities, would benefit from the college's athletic program while giving the latter more visibility; fifth, these and related benefits, for the leaders, might more than justify a subsidy from the city council should the center not become self-supporting.

Pine Bluff also has a number of other important facilities. Mention has been made of a branch of the University of Arkansas, which is a four year college. The community has a vocational-technical school with more than seven hundred students, the first established in the state, and a variety of health facilities including a 400 bed hospital built in 1960 with

both local and Federal funds. The county health center, a mental health center for southeast Arkansas and a treatment facility for mentally retarded and physically handicapped children also are located in the city. The National Center for Toxicological Research, which carries out research on toxic substances for the Food and Drug Administration and the Environmental Protection Agency, is located near Pine Bluff in Jefferson County. Several correctional institutions also are located in the county.

For recreation the city has two lakes which are highly accessible to residents. Lake Pine Bluff is a 515-acre lake a short distance from the downtown business district. Lake Langhofer, at the port, provides fishing, boating, marinas, facilities for picnics, softball and other recreational activities. The community also has three golf courses, four parks and several country clubs.

Pine Bluff is the county seat for Jefferson County. Local government is organized on the mayor-council plan, with eight persons serving as councilmen. A private utility firm, General Waterworks Corporation, however, provides the community with water, which is obtained from a number of deep wells.

THE ECONOMY

The city traditionally has served as the center of county government, and as a financial and trading center for a fifteen county area in southeast Arkansas which has been highly productive for raising cotton, rice, soybeans and cattle. The city's involvement in agriculture, while strong, has decreased as industry has expanded. Agriculture remains important as indicated by the considerable success which the port has had in moving grain to New Orleans. Bunge Corporation also has two facilities in the Pine Bluff area; one is near, but not in the public port, and one is several miles up river. Both have done well in shipping soybeans. Proximity to pine forests is partly responsible for the location of two large paper mills in the county. International Paper has a facility employing more than a thousand persons, which makes newsprint and bleached paperboard. The plant was established in 1958 but expanded in 1972 and 1973 after the port opened. A considerable quantity of milk carton paper is shipped by barge from the port. Weyerhaeuser's facilities produce craft paper and multiwall bags and employ several hundred persons. A number of other companies also are involved with lumber, manufacturing paper products, furniture cabinets, and oak flooring. Dependence on agriculture is indicated by a firm that processes cottonseed and two facilities involved in poultry, one for processing, the other for feed, both owned by Valmac Industries. The banks also serve farmers; at least one local bank, and possibly two, has an Agri-Business Division which financed more than 150,000 acres of crops.⁶¹ Other indicators of the continued importance of

agriculture for the local economy is the annual occurrence of Farmer's Week and the annual fish fry for farmers and their families sponsored by the Chamber of Commerce.

The Defense Department built an arsenal in Pine Bluff in 1942 which was expanded in 1957, 1962 and 1971. The Arsenal occupies 17,000 acres, manufactures rockets, shells and incendiary munitions, and represents a 300 million dollar investment. More than a thousand persons are employed at the arsenal. The Pine Bluff economy also has a nucleus of firms in four other important sectors of manufacturing: chemicals, including fertilizer and pesticides; primary metals, fabricated metals, and nonelectrical machinery. Although the city has only one plant producing electrical machinery, it is a large employer, with more than five hundred workers. The plant makes electrical distribution and power transformers and is a division of Colt Industries, which also has a plant at Sallisaw. Growth of these segments of the economy should be stimulated by the port either by providing relatively inexpensive transportation of steel by water or from freight rate reductions by rail or truck.

One other important facility in the area is the 10 million dollar center for controlling the transmission of electricity to the Middle South Utilities' four-state service area.

The city's economy has considerable diversity. It is the seat of county government, has several facilities concerned with health, a university, and companies engaged in agribusiness, paper, chemicals, machinery and metals fabrication. Additional facilities are located at the port, discussed below. These components of the economy also provide substantial employment for both professional people and blue collar workers. A need exists, however, for more firms which employ women.

HISTORY OF LEADERSHIP INTEREST IN THE NAVIGATION SYSTEM

Pine Bluff suffered greatly from flooding due in part to the city's location at a horseshoe bend in the Arkansas river. With heavy flows, bank cave-ins were commonplace, with the river "eroding into the city." In the late 19th century, in the area below Little Rock, bank cave-ins took eight acres of land per mile of river.⁶⁵ The city and its residents suffered greatly from flooding and interest in the waterway was very strong. This interest was due in part to the fact that many local residents were involved in the construction and maintenance of the levees through property taxes.

The system of levees began at Pine Bluff and extended to the Mississippi River. With every flood, some of the levees fell into the river, requiring a new levee to be built at some distance from the older

one, taking many more acres of land out of agricultural production. For this reason the structures were called "set-back levees." The need to construct a new levee represented an additional burden on the taxpayers of the county.

Local inhabitants reacted strongly to a proposal in the mid-forties that the navigation system, below Little Rock, avoid the Arkansas River and reach the Mississippi by a canal to be built by the Corps of Engineers. Under this plan Pine Bluff would not have become a port city and would not have obtained the benefits of bank stabilization.

Hearings were held in Little Rock and Pine Bluff on alternative routes for the navigation system between Little Rock and the Mississippi River. At the Little Rock hearing, a consultant representing Pine Bluff, L. A. Henry, provided a history of the city's involvement with the Arkansas River. The early settlers of Arkansas came up the river to Pine Bluff, which, in the 1820's and 1830's, was the head of navigation. The town had served as a trade center for southeastern Arkansas virtually from the first days of its existence. For at least fifty years, until the Corps of Engineers assumed responsibility for maintaining the levees in the late twenties, local property owners financed construction of levees protecting the city and adjacent areas. In the early years of the present century, Pine Bluff citizens also financed the cost of bank stabilization, with some help from the city and county. Local citizens also played a leading role in establishment of the Arkansas Valley Association, later to become the Southwest Valley Association, which helped generate interest in the concept of a navigation system.⁶⁴ The consultant made the following commitment on behalf of city leaders to invest in water transportation should the system follow the course of the river:

2. Pine Bluff citizens and commercial interests are in accord with the Comprehensive Development Plan. If this plan should be approved and authorized by Congress the commercial interests of the City of Pine Bluff will provide adequate terminal and transfer facilities to meet the demands of river transportation. The necessary facilities will be planned in advance of construction of the river project and will be installed immediately upon completion of the navigation project. The facilities will be expanded to keep pace with the growth of barge traffic.⁶⁵

Other material presented at both the Little Rock and Pine Bluff hearings examined in considerable detail the relative benefits and disadvantages of barge-rail shipments between St. Louis and both Little Rock and Pine Bluff, indicating the savings to the latter would be considerable. Failure to build a port at Pine Bluff would cost shippers in and around the city several hundred thousand dollars annually in higher transportation costs.⁶⁶

Emmett Sanders served as mayor of Pine Bluff in 1945 and 1946. He became involved in the movement to control the Arkansas river after the 1927 flood when his warehouse was inundated, resulting in the loss of goods valued in the thousands of dollars. He was a vigorous supporter of the waterway, active in the Arkansas Basis Association, and later a charter member of the Pine Bluff Port Authority. The road to the port bears his name. At the meeting in 1946, he submitted a statement which discussed the city's history and its interest in the navigation system:

...Pine Bluff is a river town. It's pioneers settled here long before the upper reaches of the river were developed. It's founders and descendents have made major contributions to the development of the basin. We have withstood the ravages of the river all these years, suffering hardships and losses that challenge the imagination. We have lived in hope that our neighbors above us, who have done much to create our problem, would some day desire as we did to obtain relief. We further longed for the day when the Federal government would become interested in our problem.

Now we are faced with the spectacle of a plan for a canal route whose adoption would by-pass us near Little Rock denying us benefits that actually as a matter of common decency belong to us. We contend that in a case of this kind, whatever small difference there should be in the matter of dollars and cents, whether favorable or unfavorable, should be cast aside, and that justice should prevail...it would be impossible to repay this section the losses they have sustained in the past. Certainly we should not be made the sacrificial lamb to provide benefits for another section that has no moral claim upon them whatsoever. Therefore, we resent and oppose the Little Rock-White River canal proposal with all the feeling and power at our disposal...⁶⁷

The mayor did more than present the city's moral claim on the Corps for the Arkansas River route. In his oral presentation, he emphasized the city's interest in the anticipated economic benefits of the navigation system.

We are interested in navigation because - first, as a means of transportation; that is fundamental and basic. And primarily we are further interested because of the flood control or protection that would follow as a necessary incident. It is not difficult to realize, it is just a matter of common sense that investors are afraid to invest in any area which is periodically threatened by disaster...⁶⁸

Pine Bluff leaders sought to become a port city for a variety of reasons: as repayment for the years of sacrifices local citizens had made to control flooding before the Federal government assumed this responsibility, to obtain protection from future flooding and to promote the economic development of the area, a prospect which apparently seemed more attainable after the Federal government built the arsenal in the city in 1942. The interest of leaders in economic, if not industrial development, is of long standing, from the early forties if not earlier. The promise to build suitable port facilities to coincide with the completion of the navigation system was carried out, as indicated later in this chapter.

What goals do leaders currently have on development? Are present objectives consistent or inconsistent with the aspirations of predecessors in the forties? The interviews with leaders indicated a substantial degree of consensus on a number of factors. These include pride in community, confidence in its future, conviction that the waterway has made a sizeable contribution to local development and will continue to play an important role in the years ahead, the industrial sector of the economy needs to be expanded and that most any type of industrial plant would receive serious consideration. Community leadership is not consciously seeking to expand any particular sector of the industrial economy in preference to others. Efforts to control the direction of industrial growth and the various components of the local economy are minimal at present. Firms are needed to provide employment for women, and plants which will not contaminate the environment are preferred. Considerable concern exists over the deteriorating condition of the downtown business district and a realization that population growth will make this area less accessible than shopping districts built closer to the center of population. The needs of various residential areas for improved streets, utility services and parks are recognized but economic growth still is given first priority.

The leaders of Pine Bluff closely resemble those of Muskogee in seeking new industry regardless of product. Although the city, unlike Muskogee, has sustained considerable population and economic growth since the fifties, local leaders believe that far more development is desirable and possible, that the city still has great economic potential. The rapid growth of activity at the port sustains that point-of-view. One bank official indicated that the community would accept any business or plant that did not harm the environment. Since most plants that had come to the community in recent years required a male labor force, the area has a substantial number of women who need employment. A respondent active in the Chamber of Commerce indicated a preference for a variety of industries but also said that any type of industry would be seriously considered. A businessman and bank director attributed the absence of selectivity in recruiting industry to the competition for new plants throughout the nation. Pine Bluff, for the time being, did not have a wide choice of

industries to choose from. Consequently the community is not yet in a position to attract the technology-intensive industries which employ highly skilled workers. Nor could it expect to attract headquarter functions since these would gravitate to Little Rock, if a location in Arkansas was preferred.

The open-ended nature of the development objective merits examination. For some years the city has had several facilities, two paper plants and the poultry processing plant which are hard on the environment. The paper plants require expensive pollution control equipment, and they often emit strong odors. Some residents of Little Rock contend that, on certain days, when the wind is blowing from Pine Bluff, the odor from the paper plants reaches their city. Disposal of the nonedible portions of poultry also requires special sewage treatment facilities. Despite these circumstances, Pine Bluff leaders gave no overt indication that additional paper or food processing plants would not be welcome, if any expressed interest in moving to their area. This position contrasts with that in Russellville, which had some difficult and trying experiences with a food processing plant. Leaders indicated that additional plants would be accepted only if the company provides the special treatment facilities required to handle the wastes. The character of industrial development objectives in Pine Bluff may be due mainly to characteristics of the labor force. Although the urban area has several companies on the Fortune 500 list, especially International Paper, Weyerhaeuser and Colt Industries, there is no preference shown as yet for limiting development to plants of the largest corporations, or to giving preference for certain sectors of the local economy. With a large labor force, both male and female, possessing modest skills and training, the urban area seems to have a considerable need for more manufacturing plants which will give employment to unskilled and semiskilled workers.

Optimism for the economic future of the area is strong despite problems with the supply of natural gas, and with the financial limitations which have had adverse effects in Fort Smith and Little Rock. The basis for this optimism is due to the following factors: first, improvement in the condition of the Arkansas River from one which created great havoc and was used by many cities as a dumping area for raw sewage; second, the increase in outdoor recreation resulting in part from the cleanup of the river; third, the city-county slack water port, often referred to as the "Cadillac" of Arkansas River ports; fourth, the contribution of the port and the navigation system to industrial growth in the area; and, fifth, the organizational apparatus established to manage the port and recruit industry.

ORGANIZATIONAL APPARATUS FOR DEVELOPMENT

The organizational apparatus established to manage the port and recruit industry has several unusual aspects. These functions are performed by the Jefferson County Industrial Foundation, the agency for industrial development for both the county and the port. In many communities along the river, responsibility for development is divided by geographic area, one for the port and one for the remainder of the community. This arrangement existed initially in Pine Bluff but the two units were combined after the death of the first port manager. Since that time management of industrial development in the entire county and management of the port is combined in one person, who serves as president of the Jefferson County Industrial Foundation and executive director of the Pine Bluff-Jefferson County Port Authority. While the two organizations cooperate in these endeavors, primary management responsibility rests with the industrial foundation.

Initially, in the early sixties, management of the port and of the industrial foundation were divided. After the death of the first executive director of the port authority, Mr. Langhofer, who played a critical role in development of the port as a slack water facility, Paul Lewey was brought in as the successor. Mr. Lewey, who was in his late twenties, had training in industrial development rather than in port management. He had been assistant director for an industrial development association in Mississippi for several years. In 1965, he came to Pine Bluff to become president and executive director of the industrial foundation. Three years later he also became executive director of the port authority.

This pattern of joint responsibility for industrial development for the county and the port, and management of the port was continued when Mr. Lewey became vice president and assistant to the president of the Pine Bluff National Bank of Commerce. He continued to serve, however, as a director of the port authority and in 1976 was its chairman. He was replaced as executive director in 1970 by Wallace A. Gieringer, who also had prior experience in industrial development, having served as assistant vice president for industrial development for Missouri Natural Gas Company.

This pattern of recruitment for port management differs from that of Tulsa and Little Rock where both port managers are former officers of the Corps of Engineers and have greater familiarity with the engineering aspects of the navigation system, and of Muskogee, where management was delegated to a private concern. The leaders of Pine Bluff also placed considerable responsibility for port and industrial development, after the death of the first port manager, on two men from outside the state, both of whom were relatively young at the time of employment. These actions suggest the belief on the part of Pine Bluff leadership that industrial development be given as high a priority as port development, and that young

men with energy and experience would most likely perform the requisite tasks effectively. Local leaders indicated a preference both for new leadership talent and for challenging ideas concerning development.

The heavy representation of fiscal institutions on the board of directors of the port authority and industrial development foundation also signifies, along with other factors mentioned below, the leadership which two city banks provided to the economic development for more than a decade. An officer and a director of the National Bank of Commerce and an officer of the Simmons First National Bank are directors of the port authority. The director of the Southeast Arkansas Development District, Paul Bates, who played a key role in assisting the port authority to obtain a 1.2 million dollar grant from E.D.A., also served as a port director. The board includes Emmett Sanders, former mayor, city councilman and Chamber of Commerce president, who has been a consistent proponent of the waterway since the late twenties. The directors of the port are closely tied to the city's leading fiscal institutions, a government agency which in the past has been of great value in obtaining funds for capital improvements, and, through Emmett Sanders, to the movement for waterway development in Arkansas and Oklahoma. The mayor, who appoints four members, and the county judge, who appoints three to the board, also serve as ex officio members. These men link the port authority to the area's principal governing bodies.

The representation of fiscal institutions on the board of the industrial foundation is even stronger than on that for the port authority. This is indicated by two facts: first, six of fourteen members, almost a fourth, represent fiscal institutions; second, the top bank officers are on the board, the presidents of National Bank of Commerce and of Simmons First National, along with the executive vice president of a local savings and loan institution.

Coordination of port and industrial planning with decision making among city leaders is facilitated by the above patterns of organizational representation on the boards. Both boards are directly linked by the persons of Wally Gieringer and Paul Lewey, the former as executive director, the latter as director. Indirect linkages are provided by the normal communication channels at the two banks among top officers and by government officials who interact with the mayor and county judge.

The interest of the banks in the organization for development is suggested also by several other considerations. First, the current president of the National Bank of Commerce, Bill Kennedy, who presently serves as president of the state bankers association, emphasized the dependence of the bank on the growth of the community. At a conference on the waterway in the fall, 1976, he discussed the lengthy struggle to generate support for the navigation project among members of the Congress and the Corps of Engineers. The bank's interest in this matter was due to

the belief that its vitality was tied to the "social happiness and economic growth" of the community. Since it was thought that the navigation system would improve these two conditions it also would contribute in a large way to the development of the bank, circumstances which applied to the other financial institutions in Pine Bluff.

Second, and reflecting the linkage between the local economy and the growth prospects of the fiscal institutions, the banks have played an important financial as well as leadership role in the development of the port. To understand this matter, the port's legal structure must be considered. The Pine Bluff port was established under the Metropolitan Port Authority Act of 1961, while the Little Rock and Fort Smith ports were established under an act passed in 1947, Act 167.⁶⁹ Under the former Act, "...the port authority is a separate public corporation and, unlike the other port authorities in Arkansas, operates without direct supervision of a municipal government."⁷⁰ This arrangement provides port management with greater autonomy in raising funds for development, since the Board of Directors may issue revenue bonds without obtaining voter approval. Under the previous act, which governs the Little Rock port, port management depends on the bonding authority of city government, which requires a favorable vote of the citizens and is subject to the millage limitations set by state statutes.

Effectiveness of the fiscal authority provided by the later Act depends on the ability to find a buyer for the revenue bonds. Local banks on three different occasions have purchased large amounts of revenue bonds, thereby providing the port authority with the capital needed to carry forward developmental plans. This circumstance not only indicated the commitment of the banking leaders to the port and the waterway, but the availability of capital on a more regular basis than can be provided with an arrangement which depends on a favorable vote by the citizenry, and the amount of the issue has to fall under the limit established by the state for municipalities.

The first revenue bond issue, in 1967, for \$645,000 together with the previous general obligation bond issue of more than \$1,200,000 and an EDA grant of a similar amount, was used to acquire land for the port, its industrial park and to develop facilities for handling shipments. Local banks purchased the revenue bonds, and after five years all but a hundred thousand dollars have been repaid. A second bond issue was financed to retire the outstanding bonds and to provide additional funds for port development. About a year ago another bond issue was purchased by the banks and the money used to provide financing for a manufacturing company seeking to locate at the port's industrial park. Apart from the general obligation bond issue and the grant from EDA, the local banks have been a major source of funds for port development. Given the commitment to the port by banking leaders and their presence on the board of directors, obtaining capital for development is limited mainly by the port's ability

to repay the financial commitment. Acquisitions of capital can be arranged much more readily than would be the case if an election had to be held. As a result the Pine Bluff Authority, to raise capital, does not have to sell land to industrial prospects which will not use the port, as has occurred often in Little Rock. The greater fiscal powers possessed by the Pine Bluff authority makes it more effective than the one in Little Rock.

In at least one other important respect port development in Pine Bluff differed from that in Muskogee and Fort Smith. The leaders of Pine Bluff, with the exception noted below, decided not to depend on private organizations for developing and managing the port. The directors initially assumed this responsibility, although, as indicated above, assistance was obtained from a Federal agency. This decision differs from that in Muskogee, where a division of The Williams Companies assumed a major share of the responsibility for developing the port, and in Fort Smith, where it was thought that a railroad company would do likewise. In recent years, however, some responsibility in Pine Bluff has been shifted to the private firm operating the public terminal.

PORT FACILITIES AND OPERATIONS

The slack water features of the Pine Bluff port offer major advantages. Docking, loading and unloading are greatly simplified and traffic does not move past the port while barges are loaded and unloaded. Since fluctuation of the water level at the port is relatively small, two to three feet, the cost of installing loading/unloading facilities was considerably reduced. The stable water level also provides the port with the capability for the roll on - roll off technique of handling freight although installation of the necessary equipment remains a future goal.

The public port and about nine private docking facilities operate in or near the 372-acre Harbor Industrial District. The latter include two docking facilities of the Bunge Corporation, a major exporter of grain; the bulk liquid storage facilities of Martin Terminals; the dock facility for Pine Bluff Sand and Gravel which is used to unload sand dredged from the river. Both the Coast Guard and the Corps of Engineers maintained depots at the port.

The facilities developed by the port authority with the three million dollars obtained from bond issues and the EDA grant were used to raise the 372 acre site to an elevation above the flood plain creating an industrial district with all utilities, services and transportation facilities, constructed. Included is a 20-acre terminal facility which features a 160' wharf, a 40,000 square foot warehouse, a 50-ton crane, a rail siding to the wharf and to the warehouse, access roads, water line, sanitary sewer system, and rail facilities.¹² Additional facilities have been or currently are under construction by the firm which has leased the operation

of the public terminal, Pine Bluff Warehouse. Initially these included storage tanks for liquid fertilizer, and for methyl alcohol, a dry bulk unloading facility for handling grains.⁷³ The operator currently is doubling the size of the original warehouse, and is building an all-weather, overhead 25-ton crane, which will double the port's materials handling capability. This improvement program will cost the private contractor half a million dollars, but ownership of these and other additions will revert to the port authority at the expiration of the lease. These investments would not have been made unless management of Pine Bluff Warehouse received an adequate rate of return from operations at the port. The manager, Ed Thompson, has been credited with the increasing success of the 20-acre public terminal. His interest in its development has resulted in aggressive pursuit of business opportunities and creative planning to update and make the facility more functional. The data below on tonnage suggests that operations are profitable. If true, reliance on a private firm to develop facilities at a public terminal is most likely to succeed as a development strategy where tonnage increases rapidly and reaches a fairly high level within a relatively short time period. These conditions certainly do not exist at Muskogee, where this strategy has not been nearly as effective as at Pine Bluff.

The Harbor Industrial District limits tenants to firms using the waterway, a policy followed in most ports along the Arkansas except for Little Rock. Among the tenants in the port's industrial district are: Cargo Carriers, a division of Cargill, Inc, which manufactures barges; Southern Compress, a firm that stores and ships cotton; Strong-Lite with a warehouse and office facility, which imports vermiculite from South Africa and processes it for various purposes; Valmac Industries with an automated feed mill and Process Engineering, which manufactures aluminum tanks and uses perlite for insulation which is produced by the Strong-Lite facility at the port. The original three million dollar investment has led to an overall investment of 18 million dollars, and employment of close to 700 persons at the port by the early part of 1977. This employment figure is close to that at the Tulsa Port of Catoosa.

Tonnage has grown dramatically in recent years. Prior to the opening of the waterway, it was estimated that the Pine Bluff Public Terminal would handle 66,000 tons by 1980.⁷⁴ This figure was exceeded by the end of 1971, when the Terminal handled 88,000 tons.⁷⁵ Within five years, at the end of 1976, total port tonnage had climbed to 1,168,434 tons, an increase of more than eleven fold, and a 16 percent increase over the amount handled in 1975. The commodities shipped in and out of the Pine Bluff port in 1976 were estimated to have a value of more than 189 million dollars, an increase of 29 percent over 1975.⁷⁶

While on the whole the Pine Bluff port is clearly the leader among the five Arkansas River ports in terms of volume of goods handled, the figures apply to both the public terminal and the private dock facilities in or

near the city.⁷⁷ The public terminal handled roughly a fourth of the total tonnage, 295,000 tons in 1976, which represented an increase of more than 39 percent over the previous year.⁷⁸ This total was much less than the amount handled by the Tulsa Port of Catoosa, which exceeded 745,000 tons. Nevertheless, the total volume of commodities shipped in and out of Pine Bluff represents the level of waterborne commerce for the area regardless of the mode of ownership of the facility handling the items.

The Pine Bluff port relative to the other four ports is unusual in one other respect: it comes closest to having an even split between inbound and outbound tonnage. The latter represents close to 40 percent of the total, a factor which may contribute to the relatively large number of LASH shipments from the port. The commodities handled by the port reflect the city's location in the midst of a rich agricultural area, as grain and fertilizer constitute a substantial amount of total tonnage. The export of grain represented 47 percent of the total tonnage handled by the port, rice from the public terminal and soybeans and wheat by Bunge Corporation. Inbound shipment of petroleum, aggregate, chemicals and chemical fertilizers, with 25, 18 and 15.5 percent of the total, represented the next three important commodities moving through the port. Inbound shipment of iron and steel represented about a tenth of the total, signifying that the metals industries were not yet a dominant feature of the local economy. Included in outbound shipments as "other" are the numerous rolls of milk carton paper shipped by International Paper to various places in the United States and such countries as Japan, Holland, South Africa and countries in South America. A considerable volume of goods are shipped to and from overseas, including England, France, Germany, Belgium, Switzerland, Holland, Australia, South Africa and Venezuela. Many of the outbound shipments use LASH, which has been available to the port on a regular basis for several years, the only port on the Arkansas River for which this has been the case. The availability of LASH for Pine Bluff has been due largely to proximity of the area to ports on the Mississippi River which lowers the cost of providing the service. Use of LASH on the Arkansas River will grow as prospects improve for using these barges for two way traffic.

ADDITIONAL FEATURES OF PORT OPERATIONS

The current success which the port is enjoying did not occur instantaneously. The low water years of 1971 and 1972 followed by the reverse situation in the next two years had an adverse effect on Pine Bluff as it did on all the ports on the waterway. During one period in 1973, after heavy rainfall, many LASH barges filled with rice were tied up at Pine Bluff and could not be moved to the Mississippi due to the lack of towboats with sufficient horsepower. Three sailings were missed from New Orleans, which cost the Pine Bluff port both in the availability of LASH and shipments of rice. Consequently, the port's grain loading facilities were underutilized in 1973. LASH shipments were not resumed on a regular basis until late in 1975 or early in 1976.

Management of Pine Bluff Warehouse Company, operators of the public terminal, initially erred in estimates of the commodities most likely to move through the port, as had occurred elsewhere on the river. The shipment of grains were under- and that of steel overestimated. Fortunately, the error in judgment was quickly detected and adequate grain handling facilities installed.

The large overseas volume of shipping handled by the port has resulted in some involvement of local banks in matters concerning international trade. These activities, however, are limited mostly to letters of credit and similar matters. For most business services in this area the local bankers rely on the international trade departments of the Memphis and Little Rock banks. The volume of international trade at Pine Bluff would not justify establishment at this time of comparable departments but the situation in a decade or so might be quite different. Consistent with this situation is the absence of an association of businessmen whose firms engage in international trade. Local businessmen and bankers with an interest in this area attend the monthly meetings of the Exporters Roundtable in Little Rock. On fiscal and related aspects of international trade, Pine Bluff is subordinate to Little Rock and Memphis.

The shortage of natural gas has held back industrial development in Pine Bluff as it has in Little Rock. Leaders of the former, however, refuse to allow the situation to dampen their enthusiasm over prospects for future development, despite the difficulties. Firms which require process gas and which are unable to use other fuels cannot come to eastern Arkansas. The region does not have a supply of intrastate gas, but imports gas from out-of-state, which has been subject to more Federal regulation. Since this situation does not seem likely to change in the foreseeable future, plants requiring this type of fuel either will go to western Arkansas or to neighboring states. The extent to which this circumstance will retard the rate of industrial growth remains to be seen. On the brighter side, the area has an adequate supply of electricity, which will be augmented when Arkansas Power and Light completes a new coal burning facility at White Bluff, in Jefferson County. Opposition from environmentalists has led to a reduction for the present from four to two operating units. Electricity provided by the facility, while available to the Pine Bluff area, will be distributed throughout the company's network in the state. The facility will add appreciably to the tax base of the county and school district in which it is located.

The industrial foundation also owns 785 acres north of the city, near Highway 65, which are under development as an industrial park. Improvements have been financed by loans from local banks and grants from Federal agencies. The park has basic utilities, gas and electricity, storm drainage and access to railroad lines. Seven plants were located in the park by the spring, 1976, providing employment for several hundred people.

RELATED ASPECTS OF COMMUNITY DEVELOPMENT

Race Relations

Throughout the study the authors have assumed that economic development is and will be influenced by various aspects of social organization as well as by the facilities available for various enterprises. For a city with a large and growing black population, approximately 40 percent in 1970, located a scant forty miles from Little Rock, race relations can have a decisive impact on growth prospects. Pine Bluff has been able to avoid serious conflicts in this area and various groups and leaders have been trying to improve conditions for black and white residents. There are several indicators of progress. The school board recently built a large high school to serve the entire city. Prior to construction of this facility the high schools of Pine Bluff had long been integrated. The conversion a few years ago of a four year, black state college to an integrated branch of the University of Arkansas has been important for several reasons. It has led to improvement in the curricula and staff of the college, thus providing the community with facilities and training comparable to that in other educational institutions, a fact of considerable importance in attracting new businesses. A concerted effort has been made to increase the enrollment of white youngsters at the college, which currently stands at 10 percent of the total. The college also employs white instructors. Various local organizations have become involved, to some extent, in the activities of the college, signifying again that it is a community, and not a racially separate institution.

The Education Committee also has worked with Friends of the University to improve the athletic program, including football, which has done poorly in recent years. While such activities may be motivated in part by self-interest, by the benefits to the convention center and local businesses anticipated from increased attendance at basketball, football and other sporting events, the activities signify continuing and increased interaction between higher education and the business community. The college also has the potential for becoming a conference center for southeast Arkansas. A Business Outlook Conference has been organized by the Chamber for early 1977 at the Convention Center, and will offer several panel sessions on economic prospects for the state and nation. If successful, the conference may become an annual affair.

This growing involvement seems due to a recognition of the various benefits from interaction between local organization and the college. The Education Committee of the Chamber of Commerce, for example, is interested in improving training opportunities for students enrolled in various

business programs, both black and white. A successful program may upgrade the local labor force, a factor of some importance in recruiting various enterprises. Efforts also have been made to modify the curriculum to meet the needs of adults in the community. Several courses in the art department have been added for this purpose.⁸⁰ Members of the staff and faculty also constitute a source of expertise which may be used to assist various citizen committees working on important municipal matters.

Change also has taken place politically. Despite the city's large black population, it has been impossible, until recently for black candidates to gain a seat on the city council due, in part, to the fact that elections were on an at-large basis. In the early seventies, one black resident was appointed to the council to fill a vacancy.⁸¹ He was subsequently elected to the council. Several years later another black won election to the eight-member city council. While still under-represented relative to the proportion in the total population, this change signifies definite improvement. One would expect conditions in black neighborhoods to receive more attention when inhabitants have representation on the city's governing body.

Downtown Business District

Since most of the cities along the Arkansas developed initially as river towns, the central business districts were located close to the river. The heavy growth which took place since World War II in Tulsa, Little Rock, Fort Smith and Pine Bluff resulted in declining accessibility of the c.b.d.

Earlier we discussed the impact of this situation on Tulsa and Little Rock. A similar situation on a smaller scale exists at Pine Bluff. It is complicated, however, by railroad tracks which run through the business area. Since about forty trains pass through the city each day, the delays are numerous and costly. The task of redevelopment was complicated somewhat in the spring of 1976 when the historic courthouse located in the business district near the river, was destroyed by fire. This led to a division in the community over whether to rebuild the courthouse at its original location or at a site near the civic center, where it will be close to other government buildings. An election early in 1977 will settle this matter.

In one respect the difficulties caused by the railroad tracks and the destruction of the courthouse may have helped focus attention on the problems of the inner city which involves matters and interests other than the viability of the central business district. The difficulties caused by the frequent passage of trains through the heart of the city and the rebuilding of the courthouse may have led various groups to consider the impact on downtown neighborhoods as well as on commercial facilities. In any event, a wide range of interests are involved in the effort to improve the inner city.

The initial strategy is noteworthy for several reasons. A coalition of diverse interests, called the Inner City Alliance for Progress, was established as a result of a forum held in the spring, 1976, on improving the inner city. This Alliance includes several business groups and the local chapter of Arkansas Community Organizations for Reform Now (ACORN), which seeks to represent the interests of the working class and minority groups. The Alliance also included organizations committed to conservation, historic preservation, cultural pursuits, as well as Fifty for the Future, the University of Arkansas at Pine Bluff and various governmental bodies. The Alliance has participated in discussions over the relocation of the railroad tracks, rebuilding the courthouse, and is concerned also with improving inner city neighborhoods, older homes which have some historic value and the c.b.d. Plans for improving various segments of the inner city presumably would be considered by representatives of each participating organization rather than by a specialized interest group. While this arrangement may generate lively differences in the early stages of formulating a plan of action, the achievement of consensus, when and if it occurs, could produce a broad base of support that would increase prospects of gaining endorsement from key government and economic leaders.

The formulation of the Alliance as an initial step toward downtown redevelopment signifies great interest and possible organizational skill. In Muskogee, which is somewhat smaller in population but similar to Pine Bluff in terms of having a large minority population and a history as a railroad town, interest in the downtown area appeared to be perking through the conventional agenda for action. Establishment of a broad-based organization for action purposes seems unlikely in the immediate future. In Fort Smith, discussed next, which is considerably larger than Pine Bluff, concrete action has been taken for improvement but the organizational base is much narrower.

From an office in a downtown motel, the Alliance is raising money from local groups, collecting information and planning conferences on important matters. A grant application has been submitted to the Rockefeller Foundation in Little Rock. Whether the Alliance will generate specialized groups to sponsor specific redevelopment programs, as has occurred in Little Rock and Tulsa, remains to be seen.

Recreation

The lack of parks and recreational facilities as recently as 1974 was considered by one observer to be an important community deficiency.⁸² One area of improvement concerns the park near the port, built by the Corps of Engineers. It has facilities for picnics, and various sports, such as softball and tennis. As it is located along Lake Langhofer, it also offers boating and fishing.

To expand park facilities, the City of Pine Bluff has proposed the development of a Regional Recreation Area consisting of two parts, one adjacent to and one on land in Lake Langhofer. Fifty for the Future recently contributed ten thousand dollars for development of a golf course at the western segment of the recreation area. Development of the port facility, however, has created a serious problem which had not been resolved at the time of writing. Industrial sites at the port soon would be depleted and additional land was needed. Local officials preferred to convert the park north of the port, built by the Corps of Engineers, to an industrial park. The recreation facilities would be relocated at Regional Park West. This proposal has been opposed by black residents who live near and use the park at the port.

Since both the existing park and the proposed regional recreation area are at Lake Langhofer, and close to the port, either can serve an educational as well as recreational purpose for users as they provide an opportunity to observe port operations. This arrangement increases the visibility of the port and navigation system, and may increase public awareness of their contribution to the local economy. Since the public schools use the park for class outings, the opportunity also exists for the children to gain an understanding of the operations of a port and of how barges are manufactured. More might be done in each of the port cities to educate children about port operations and the navigation system.

Problem Areas and the Future

High priority seems to have been assigned those projects and organizations which can contribute most either to the expansion of an important sector of the economy or those whose outputs can have a significant bearing on economic growth. In the former, the port and industrial development authorities, and the convention center seem to be the significant organizations. For the latter, inner city redevelopment, improvement in the local college branch of the University of Arkansas, and efforts to improve various aspects of transportation appear to be most important. Within the framework of these commitments, efforts are made to provide and improve various housekeeping activities, particularly for certain residential areas, many of which are deficient in sidewalks, streets, parks and possibly in utility facilities. The strong commitment to continued growth places city officials in the position of "playing catch-up" in respect to neighborhoods which lack important facilities while, at the same time, planning to provide for new subdivisions at the edges of the city. Racial interests are involved in this matter as some of the neighborhoods with serious deficiencies are black while most of the newer residential areas will be inhabited by whites. Prolonged neglect of

older neighborhoods in favor of peripheral developments could increase racial tension. This problem also includes roads and streets as, for example, the need to widen and improve the two lane road to the port which at times becomes congested.

City officials also may have an opportunity, through planning, to avoid some of the difficulties experienced by Tulsa and other cities whose pattern of spatial growth has increasingly placed the c.b.d. at a disadvantage. If a sizeable amount of residential development north of the business district can be achieved, the city, as it grows, will acquire a more symmetrical spatial pattern. This is a major objective of Tulsa's redevelopment plan. Location of the college and a lake in this area offer some prospect for success, although the presence of the arsenal, railroad tracks, several creeks and a large black population may frustrate whatever efforts are made in this direction. If northward residential development fails, continued expansion of the city will greatly encourage development of shopping areas in sections that are more accessible to the total urban area. The increased retail and commercial competition will greatly weaken the downtown business district and also may frustrate efforts to strengthen the inner city.

Although Pine Bluff has experienced considerable economic and population growth for the past twenty-five years, local leaders remain committed to a continuation of these trends. Substantial investment of human and material resources continue to be made in those organizations and facilities which are considered capable of encouraging expansion of existing and of attracting new industry. City leadership, in a sense, still is strengthening, partly by diversification, the "infrastructure" or foundation of long-term industrial expansion. Within this context the port and its facilities, material and organizational, have and will continue to play a strategic role. The degree of additional economic and population growth that can be absorbed prior to increasing the priority for the maintenance needs of various neighborhoods remains to be seen.

CONCLUSION

Commitment to the waterway, to navigation, to development of a port and economic growth has been of long standing in Pine Bluff. A promise was made in 1946 to the Corps of Engineers that a port would be ready for operation upon completion of the project if the waterway followed the channel of the Arkansas River in the vicinity of Pine Bluff. More than twenty years later, that promise was fulfilled.

The strong interest in the port and economic development is due to factors other than the desire for improved flood control. This circumstance exists in other cities along the river which have done relatively little to provide adequate port and adjacent industrial

facilities. In Pine Bluff the major consideration may have been the city's heavy reliance on agriculture and relatively small development of industry, except for the arsenal, until the sixties. In three of the other four port cities, considerable development had been achieved in one or more important areas, such as government and trade in Little Rock, manufacturing in Fort Smith, and several economic functions in Tulsa. Water navigation seemed to provide Pine Bluff with its best opportunity to expand in economic functions which would be more productive and yield greater material benefits than a continuation of the traditional reliance on agriculture. The port became the principal instrumentality for achieving the goal of economic and population growth. While a similar situation also developed in Muskogee, leadership support for port development was not equal to that in Pine Bluff. The port authority in Pine Bluff was established in a way which reflected the strong commitment to the instrumental relationship between navigation and development. The port authority had considerably greater ability for raising capital than that which was manifest in Little Rock and Muskogee. By organizing under an act which allowed the authority to issue revenue bonds that did not require a vote of the citizenry, the local banks became an important source of venture capital. This arrangement was a further and vital indicator of leadership belief in the ability of the port to stimulate industrial expansion. By employing one executive director for both the port authority and the industrial foundation, and hiring men who were knowledgeable of and aggressive in industrial recruitment, the leadership made certain that the goal of expansion would be pursued vigorously and with a minimum of conflict. The strong and persistent interest in development led to the establishment of an effective instrumental apparatus, in terms of know-how, financing, and organizational structure, of which the port authority and the industrial foundation were the centerpiece. For the period covered by this study, this led to a tight-knit integration between the goals of development and the instrumental apparatus.

If one considers the involvement of local banks in the financing of some port improvements, by investing hundreds of thousands of dollars in revenue bonds as an index of risk-taking, a similar attitude was manifest in the scale and financing of the convention center. Although built largely with Federal and state monies, the necessity initially to finance operating costs with close to a million dollars of revenue sharing funds entailed some dangers for political and perhaps business leadership if the center required a large subsidy in future years. Political opposition could coalesce around unmet needs in various neighborhoods involving certain classes and minority groups. Whether this development, if it occurred, could be short circuited by benefits generated by the convention center in community prestige, visibility, strengthening of the downtown business district and for various organizations using convention facilities, such as the University of Arkansas at Pine Bluff, remains to be seen. Commitment to build the center in a "dry" community was further indication of risk-taking, born out by the defeat of the liquor by-the-glass proposal

in the fall of 1976. The construction of the convention center, however, signified the addition of another facility which could aid development prospects by stimulating expansion of another sector of the local economy, tourism, and by strengthening the city's image as a diversified, progressive community.

The third development, which will prove increasingly important over the years, was conversion of the state-supported, four year, black college to an integrated branch of the University of Arkansas. These three changes, combined with the current effort to improve the inner city, suggest the existence of a cohesive group of economic and political leaders who, for many years, have carefully studied the needs and characteristics of the community and who have not only agreed on types of changes but on the timing and investment of resources. The scope of these changes in function, organization and know-how suggests a carefully orchestrated effort. While the precise manner in which this has been carried out is not known, there is strong reason to suppose that the community's banking leaders have been deeply involved in all major aspects of these improvements.

The consequences of these changes, apart from growth in industry, employment, bank deposits and in the spatial domain of the urbanized area, has been to move Pine Bluff away from its traditional mooring in agriculture and the system of race relations which for so many decades has been its major support, to a far more diversified economy and the local institutions supportive of a growing middle class. These changes were summarized recently by a journalist for the Arkansas Gazette:

Seemingly content for years to linger in its "rich Southern tradition," carefully avoiding contact with progress and refusing to capitalize on a wealth of resources, the city of Pine Bluff has suddenly emerged as the state's industrial leader as well as a major metropolitan area.

The swift development of Pine Bluff, not only in terms of industry but socially and culturally, has keyed a new outlook for the entire Southeast Arkansas area, once treated as the state's abandoned child...⁸⁵

PART C

ARKANSAS SMALLER METROPOLITAN COMMUNITIES: FORT SMITH

INTRODUCTION

In the past twenty years, Fort Smith has become the manufacturing center for western Arkansas and eastern Oklahoma. The city organizes a large metropolis which the Bureau of the Census designates as a four county area, two each in Arkansas and Oklahoma. For the purposes of planning and development, the Fort Smith district includes six counties in western Arkansas. One can better appreciate the spatial domain of the Fort Smith metropolis when it is compared with Tulsa. The latter had a metropolitan population in excess of half a million, but was only expanded in territory from three to six counties in 1973. Fort Smith, with a metropolitan population of less than two hundred thousand, includes four counties. This has an important bearing on the activities of the city and costs of operation for the hinterland population communities.

The port and navigation system has played a relatively minor role in the industrial development of Fort Smith. Prior to 1960, the city economy depended heavily on services to agriculture, the manufacture of furniture, and the military facilities at Fort Chaffee, south of the city. The rapid growth of manufacturing in the subsequent years was intended to compensate for the closing of the military base which, in the fifties was thought to be imminent. In recent years the move to industrialize achieved remarkable success with the establishment in the community of plants of some of the nation's best-known companies such as Gerber, Dixie, Planters Peanuts, Ball, Gould, Rheem, Whirlpool and Transkit. The office of the Chamber of Commerce executive director offers evidence on the relatively rapid transformation of the Fort Smith economy. It is lined with approximately twenty shovels, each of which had been used to turn over the first spade of earth at a groundbreaking ceremony for a major new plant. Analysis of the city and of its SMSA, which included Van Buren immediately north of Fort Smith on the opposite bank of the Arkansas River, provides the opportunity to analyze a community which for various reasons, has made a minimal investment in port facilities. Fort Smith, like Conway which also has enjoyed great success in attracting industry, has relied more on other factors to encourage the growth of manufacturing. We are able therefore to analyze the factors responsible for this situation relative to those communities, such as Tulsa and Pine Bluff, and to a lesser extent Little Rock and Muskogee, which have given much higher priority to the navigation system. The role of the navigation system in the area's economy in the immediate future also is considered, and the possible impact on a division of economic labor between Fort Smith and Van Buren.

LOCATION AND TERRAIN

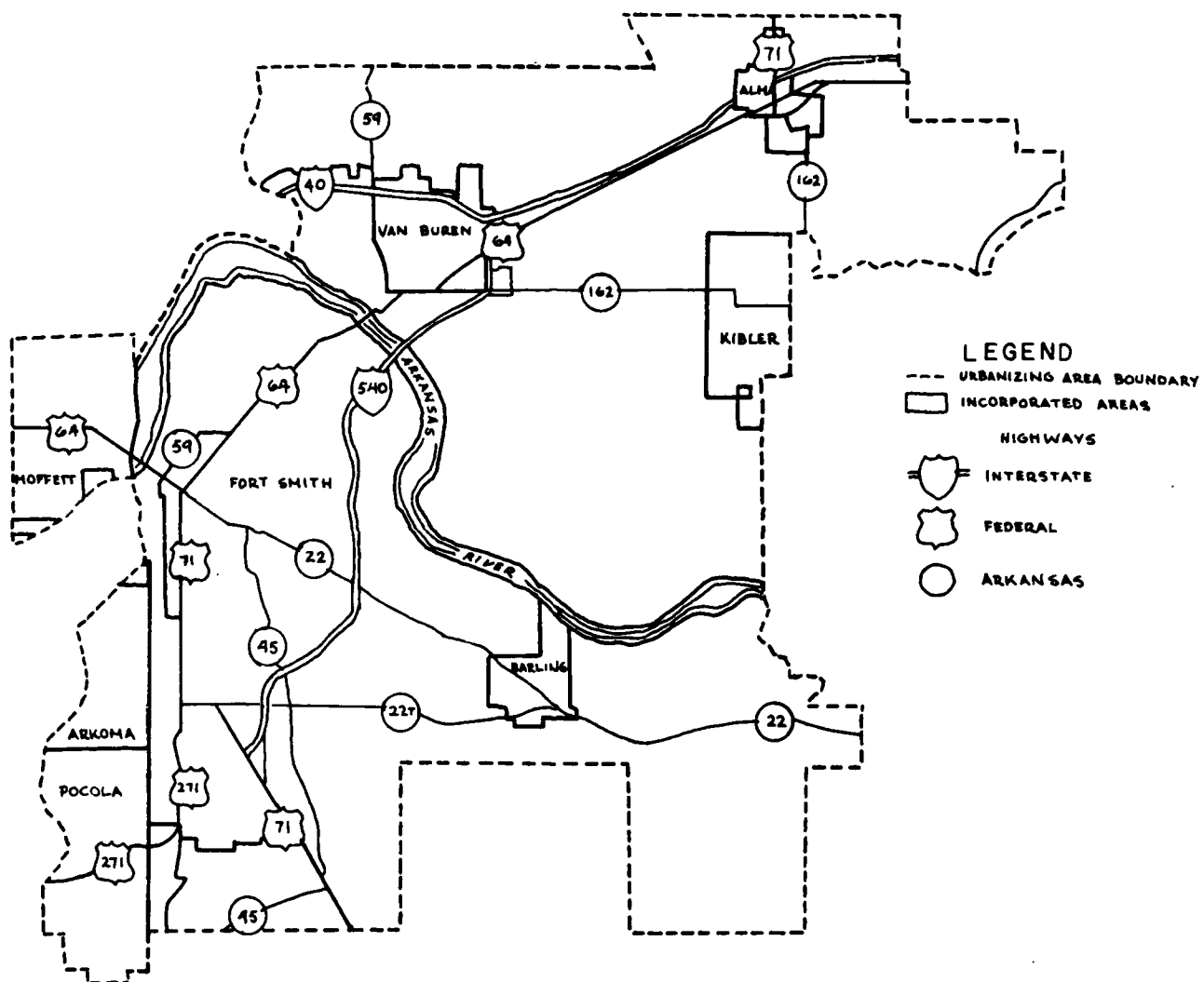
Fort Smith is located just a few miles east of the Oklahoma border immediately south of the Arkansas River; Van Buren, the political center of Crawford County, occupies the opposite bank of the river. Fort Smith is the dominant urban center between Little Rock to the east and Tulsa to the west, between Springfield to the north and Shreveport to the south. Due to the relative absence of competition from other cities, Fort Smith possesses a large hinterland, in both Arkansas and Oklahoma. Fort Smith also is situated between two mountain ranges, the Ozarks to the north and Boston Mountains to the south and west which has a negative effect on north-south transportation. A large national forest, the Ouachita, extends east and west across the state boundary south of the city, while the Ozark National Forest is north of the city. Both national forests have numerous recreational areas attracting many tourists to both Fort Smith and Van Buren.

Fort Smith is located on three Federal and three state highways. It is connected to Interstate 40, which passes north of the city, by Interstate 540 at the eastern edge of the city. In recent years three four-lane bridges across the Arkansas River have been built which provide Fort Smith with access to various sectors in its hinterland. A fourth, across Lock and Dam 13, is scheduled for construction in the next few years.

Other transportation facilities include three railroads, the Kansas City Southern, Missouri-Pacific, and the St. Louis-San Francisco. The city also is served by many trucking concerns; fifteen have terminals in Fort Smith. One trucking company, Arkansas Best Freight, whose chairman and principal owner is a lifelong resident of the city, has its national headquarters in Fort Smith. The airport, with a 8,100 foot runway, offers daily service by Braniff, Frontier and Skyways to metropolitan areas where connections may be made to other large urban centers in the nation.

The city of Fort Smith is surrounded on three sides by the Arkansas River (Figure 7 - 1). This fact compels growth to the south. Since the business district was established close to the river, as in most other cities on the Arkansas, this pattern of growth moves the center of population away from the downtown area, reducing its accessibility and encouraging the growth of shopping centers in strategic locations. The movement south, however, is cramped to some extent by the location of Fort Chaffee, southeast of the city. City officials have succeeded in obtaining acreage from the Federal government for use as a park, but most of this land is not available for municipal purposes. This circumstance contributes to the fact that the city's population is less than half that of the metropolitan area.

FIGURE 7-1
FORT SMITH URBANIZING AREA



Source: U.S. Bureau of the Census and 1973 ARPC, Report No. 2.

The city is also surrounded, in a sense, by three smaller, incorporated municipalities, Van Buren, Barling to the southeast, adjacent to Fort Chaffee, and Arkoma, along the Poteau River to the southwest, and a short distance south of the Fort Smith port. The growth of Fort Smith to the south places many residents of that part of town at a greater distance from the downtown than residents of Van Buren. From the standpoint of downtown accessibility, increase of population in Van Buren rather than in Fort Smith would offer certain advantages.

In terms of institutions, about a dozen years ago Fort Smith city government changed from the commissioner to the city administrator form. The directors and mayor are elected at-large for a four year term. City government is responsible for supplying water and the disposal of sewage. Local government also included a planning commission.

From a commercial standpoint, the city has three banks with resources exceeding three hundred million dollars. Five savings and loan associations also have combined assets of a roughly comparable amount.

Unlike Pine Bluff, Tulsa, and Little Rock, the city does not possess either a four year college or a university. Proximity to Fayetteville, where the main campus of the University of Arkansas is located, may be a handicap in this regard. Fort Smith does have a two year college, Westark Community College, which has a strong vocational education program.

Exceptional medical facilities are available for a metropolis of relatively modest size. Sparks Regional Medical Center provides more than 500 beds while St. Edwards Mercy Hospital has 250 beds. The number of persons per hospital bed for Fort Smith, 129, is lower than Little Rock, 159, and Tulsa, 245. The city also has two medical-dental clinics with approximately 120 physicians and 35 dentists.

Relative to other port cities, such as Pine Bluff, Fort Smith does not have a comparable number of state institutions in the correctional and health areas. The city possesses some state and Federal offices but, as indicated below, a relatively small proportion of the labor force is employed in government. The city economy, on the whole, is heavily specialized in manufacturing, with a strong base in agriculture, tourism and trade.

The Metropolitan Area

Western Arkansas has a wealth of natural resources. Since Fort Smith sits on top of a large pool of natural gas, the area has an abundant supply of intrastate gas, which is less subject to Federal regulation than

interstate gas. The local gas company can meet the energy needs of most prospective manufacturers, a situation that does not exist in eastern Arkansas in 1977.

This area of the state, along with eastern Oklahoma, also has sizeable coal deposits. In western Arkansas the coal is of:

...a low volatile type which is relatively scarce and particularly useful for coke making. The use of low volatile coal has a distinct advantage over the high volatile type because less coal is required to provide the same energy...⁸⁵

This type of coal is in high demand for the making of steel. Distance from markets in the United States has resulted in the export, especially to Japan, of large amounts of this type of coal.

Timber also is present in abundance, as indicated by the presence in the area of two national forests. While much of the timber land is federally owned, several corporations also own large tracts. The abundance of timber resources partially accounts for the early development of furniture manufacturing in Fort Smith, which remains an important but less significant component of the economy. One might also expect, in these circumstances, that several paper firms would have established mills or other operations in the Fort Smith area. Some of the factors responsible for the absence of these plants will be considered below.

While water is present in abundant amounts, some difficulties are created by factors preventing impoundment near Fort Smith. Consequently there is a possibility that Fort Smith will need an additional water supply early in the eighties, a situation indicated several years ago when the city had to supply water to the Vietnamese refugees at Fort Chaffee. An effort to build a reservoir on Lee Creek in eastern Oklahoma was frustrated by designating the stream a scenic river. An effort now is underway to obtain water from the Pine Mountain area of Lee Creek which is in the northern part of Crawford County.

Sand and gravel also are important resources of the metropolitan area. Several quarries are located along the Arkansas and Poteau Rivers and stone quarrying is carried out in both Sebastian and Crawford Counties.⁸⁶ Export of sand and gravel should be an important part of the outbound tonnage from the Van Buren or Fort Smith ports.

The value of agricultural products sold in 1969 for the six counties in the planning and development district was approximately 53 million dollars.⁸⁷ Livestock and poultry contributed close to 90 percent of the total, or more than 47 million dollars. In 1969, the market value of livestock and poultry and related products in Sebastian County exceeded 5 1/2 million dollars and in Crawford County was about 6 3/4 million dollars.⁸⁸

The Fort Smith hinterland is mainly rural and low income despite the growth of industry which took place in the sixties. If one subtracts the figures for Sebastian County from those pertaining to the development district, the remaining five county area has only one-fourth of the urban population in 1970, less than 16 percent of the value added by manufacture in 1967, and almost two-thirds of the families with poverty level income for 1969.⁸⁹

The two eastern Oklahoma counties which are part of the Fort Smith metropolitan area, Sequoyah and Le Flore, also are characterized by relatively modest manufacturing activity and a substantial low income population. Median family income in these two counties for 1969 was 53 percent and 57 percent of the national family median income, compared to 61 percent and 77 percent for Crawford and Sebastian Counties.⁹⁰ However, these figures also represent increases over 1959, signifying the improvement brought about in large part by the growth of industry. The percentage increase in median family income during this decade was 97 percent for Crawford, 75 percent for Sebastian, 92 percent for Le Flore and 118 percent for Sequoyah, compared to 69.5 percent for the nation as a whole.⁹¹ Despite the improvement, each of the four counties in the metropolitan area had a substantial proportion of low income families. In 1970, the proportion of families with incomes of \$3,999 and under for Crawford, Sebastian, Le Flore and Sequoyah were 30, 20, 39 and 36 percent, respectively.⁹² The relatively low percentage for Sebastian County signifies the close relationship between level of industrialization and level of income. This condition also indicates the importance of the expanding industrial economy of Fort Smith for the hinterland population.

The shift away from low productive, low income occupations to more productive, higher income occupations is part of the historic process of economic change which has taken place in the South and in Arkansas and Oklahoma. For western Arkansas, in the early 1900's and until the onset of World War II, the economy was based on cotton and timber. The towns and cities were oriented toward the collection and distribution of the farm products of the area. In the forties, furniture manufacturing and serving the population at Fort Chaffee became major economic functions. With the rapid growth of defense activity around the nation and the mechanization of agriculture, large numbers of young people left the area in the forties and fifties. Those who remained behind were trapped in a cycle of low income, low tax revenue and inadequate community investment in schools, medical facilities and other institutions. In the sixties, the economy of the area continued to shift from extractive activities, mining and agriculture, to manufacturing, transportation, finance and related economic activities. The economy became more diversified and productive, and needed a better educated and trained labor force.⁹³ The Fort Smith economy constituted the center of these economic and social trends.

FORT SMITH ECONOMY

The growth of industry in the Fort Smith area in the sixties and seventies has occurred at a fairly steady rate and constitutes an impressive if not remarkable record of economic change. Between 1957 and 1976 about twenty-five thousand new jobs were created in the area, and over a quarter of a billion dollars invested in industrial facilities. The area obtained 158 new plants, while 610 were expanded during this time period.⁹⁴ In addition, four important employers opened establishments in 1976, Ball, Planters Peanuts, Gould and Traskrit.

The effort to expand the industrial economy was launched in the early fifties and made modest progress during that decade. Between 1957 and 1960, twenty new plants located in Fort Smith, with a capital investment of approximately fifteen million dollars, adding about 2,800 jobs to the economy. Between 1961 and 1963, however, 58 new plants came to the area, adding close to 1,500 jobs and with a capital investment of more than 13 million dollars. Borg-Warner, manufacturer of Norge appliances, was the major manufacturer acquired during this period, and marked, for all intents and purposes, a key point in the development of an industrial economy. Acquisition of Borg-Warner, the first major corporation to establish a large facility in the area, signified the interest of national corporations in Fort Smith, an interest which increased in ensuing years. The Borg-Warner plant was later purchased by Whirlpool, subsequently expanded, for the manufacture and distribution of refrigerators, freezers and other appliances, including those for Sears, Roebuck and Company. Whirlpool now is the largest employer in the area, with approximately four thousand employees.

Another vital aspect of the Fort Smith economy concerns the record of plant expansions. The industrial component of the economy has reached a level where internal forces of growth are substantial and in the years ahead may be as, if not more, significant than recruitment of new plants. Between 1957 and 1976, there were 610 plant expansions, which added about 15,700 jobs and pumped, for construction purposes, more than 173 million dollars into the local economy.⁹⁵ Expansion of existing industry has been a major factor in the growth of various local establishments providing facilities and resources for these plants. The importance of this factor can be seen from the fact that between 1968 and 1972 capital investment for the expansion of plants in Fort Smith totalled about 43 million dollars in contrast to approximately 18 1/2 million dollars for new construction.⁹⁶ This trend was continued in 1973 and 1974, for roughly 23 1/2 million dollars were invested in new facilities compared to more than 53 million for plant expansions.⁹⁷

The rapid growth of plant investment increases the capital to worker ratio and should lead to an increase in worker output.⁹⁸ The concept of value added per worker is an indicator both of capital investment per worker and of the efficiency of manufacturing.⁹⁹ Between 1963 and 1967 value added per worker for Fort Smith increased from \$8,702 to \$12,250. While in 1963 the figure was 74 percent of that for the United States and 87 percent of that for Oklahoma, by 1967 it was 86 percent of that for the United States and 107 percent of that for Oklahoma. For Crawford County, however, the picture was the reverse. The county lost rather than gained ground in this area of economic activity. Value added per worker decreased slightly, from \$5,512 to \$5,250, and the ratio relative to the nation and Oklahoma declined.¹⁰⁰ During this time period, industrialization in Crawford County lagged behind that in Fort Smith.

An overview of industrial growth in Fort Smith, Table 4 - 2, shows that the city gained 189 plants, a figure exceeded only by Tulsa and to a slight degree by Little Rock, which has 203. The quickening pace of industrial growth in Fort Smith is indicated by the fact that the twenty-five plants with a hundred or more employees established after 1951 exceeded the twenty-four which were built prior to that time. For Tulsa, and Little Rock the ratios are reversed, with a greater number of larger plants coming to the community prior to 1951. It also should be noted that Fort Smith obtained 25 large plants between 1951 and 1976 compared to 20 for Little Rock over the same period. While Tulsa still outpaced Fort Smith, 36 to 25, the difference was far smaller than that for the total number of industries in the two cities. One should also note that while Van Buren was far behind Fort Smith, it gained seven plants between 1969 and 1976, a rate of one a year, and one was a large facility, discussed below.

A consideration of some of the plants in the Fort Smith area also provides some indication of the nature of industrialization. Fort Smith enjoys a considerable diversity of economic activity, including extractive enterprises in coal, sand and gravel, and gas; food processing; agribusiness as well as diverse manufacturing. Garland Coal & Mining Company has its office in Fort Smith. The community has more than two dozen firms engaged in various fields of food processing and manufacturing, including meat packing, poultry processing, animal feed and bottling companies. Among the best known firms were Gerbers and Planters. As one would expect from the abundance of timber in the area, many companies are engaged in the making of wood products, building materials and both home and office furniture. Several furniture companies employ approximately a thousand persons, such as Riverside, a division of Arkansas Best Freight, and the Fort Smith Furniture Division of Desoto, Inc. Numerous firms make a variety of paper products, especially different types of containers and Dixie Products, maker of Dixie cups, which also employs more than five hundred persons. Various plastic items are produced in Fort Smith, including products for Whirlpool made by a plant of the Ball Corporation;

General Tire and Rubber Company also has a plant in the area. Arkola Sand & Gravel has several facilities which use the sand and related minerals present in the area. The fabricated metals category include Rheem, maker of heating and air conditioning equipment, employer of more than five hundred persons; Bekaert Steel, a recent arrival, a Belgian firm located in Van Buren which produces fence wire. In the electrical equipment category, Whirlpool, the largest employer in the area, produces appliances. In the middle of 1975, the firm announced a 3.2 million dollar expansion of its warehouse, which would bring total space in the distribution center to 621,000 square feet, and a commitment to spend 20 million dollars during the next two years for new equipment.¹⁰² The firm is also the largest single user of the Fort Smith port. Transkrit, a recent arrival in Fort Smith, produces printed forms for the data processing industry.

Tourism also is an important part of the area economy. Bonanza Land is the tourist organization in western Arkansas comparable to Green Country in eastern Oklahoma. It consists of the seven counties in the development district, and has its office in downtown Fort Smith. In 1975 it was estimated that tourists spent more than 121 million dollars in the seven county area, with close to 69 million dollars spent in Sebastian County. Bonanza Land attracted more than 2,700,000 overnight visitors during the year.¹⁰³

In summary, a number of trends should be noted. First, a shift in employment away from extractive activities and agriculture and an increase in manufacturing and other activities characteristic of an expanding urban economy.¹⁰⁴ Most of this manufacturing activity is concentrated in Fort Smith and Sebastian County, especially the larger plants. The county

...ranks second only to Pulaski County in value added by manufacturing in the state and produces 9.9 percent of the state total.¹⁰⁵

Second, an important shift also has occurred in the past twenty years within manufacturing. Between 1950 and 1960 the greatest growth in employment occurred in furniture manufacturing, lumber and wood products. In the succeeding decade, the greatest increase took place in fabricated metal products.¹⁰⁶ Between 1968 and 1972, employment continued to grow rapidly in fabricated metals and in metal industries, but also in stone-clay-glass production and durable goods manufacture.¹⁰⁷ This rapid and recent increase in fabricated metals and metals industries raises questions on the contribution, if any, of the waterway to the growth of this segment of the economy.

Third, agriculture remains important for the metropolitan economy. The area has participated in the national trend of diminishing number of farms, increasing acreage in farms and in the value of farm products sold. The income of most farm families has increased in recent years.¹⁰⁸

POPULATION CHARACTERISTICS

Growth of industry generally leads to or is associated with improvement in the socioeconomic status of the population. The data, for the most part, indicates the rising levels of income and education in the Fort Smith area. The data also indicate that the inhabitants of the city are considerably ahead of those living within the metropolis but outside Fort Smith.

Fort Smith has enjoyed steady if not spectacular growth in population since 1910, as indicated in Table 7 - 2. The highest rate of growth, 31 percent, occurred during the forties, due perhaps to establishment of Fort Chaffee. The next highest rate of increase, 17 percent, took place in the sixties, reflecting the growth of industry discussed above. The rate of increase in the seventies appears to be keeping pace with that of the preceding decade. One important aspect of this pattern of population change is the steady growth in the forties and fifties when the surrounding counties and the state were losing population.

Table 7 - 3 shows that, since 1960, the population of the metropolis has grown more rapidly than that of Fort Smith. This has resulted in a decline of the city's share of the metropolitan population, from 39 percent in 1960 to 37 percent in 1975. This situation differs from the Pine Bluff and Little Rock metropolises, where the city population represents two-thirds and about half respectively, of the metropolitan population.

The growth of industry in and near Fort Smith has encouraged sizeable population growth in the metropolis as well as in the city. One should expect, therefore, that many adults in the three counties commute daily to work in Fort Smith. Data on percent of the county labor force employed in another county indicates a heavy pattern of commuting. The figures for Crawford, Sebastian, Le Flore and Sequoyah Counties in the late sixties were 42.5, 5.1, 18.7 and 31.7 percent, respectively.¹⁰⁹ While not all of these persons commuted to Fort Smith, in all likelihood the largest number did, since no other comparable center of employment existed in the area. The heavy flow of commuters throughout the city for five days a week undoubtedly has serious consequences for the services which city government provided the population.

The minority population of the metropolis was quite small relative to Pine Bluff and Little Rock. In 1970, blacks represented only 4.2 percent of the metropolitan population, a decline from 5 percent in 1950.¹¹⁰ The percentage for Fort Smith was slightly higher, 6.9 percent, or 4,331 persons. The number of black inhabitants in Crawford County was 490 or less than 2 percent.¹¹¹ The metropolis also has a small Indian population, largely in Sequoyah and Le Flore Counties, with 2,037 and 1,406 persons, or

Table 7 - 2

NUMBER OF INHABITANTS AND PERCENT CHANGE, FORT SMITH, 1974 - 1910.

<u>Year</u>	<u>Number of Inhabitants</u>	<u>Percent Change</u>
1910	23,945	
1920	28,870	20.4
1930	31,429	8.9
1940	36,584	16.9
1950	47,942	31.0
1960	52,991	10.5
1970	62,025	17.0
1975	67,720	9.2

Source: U.S. Bureau of the Census. U.S. Census of the Population: 1970. Characteristics of the Population, Vol. 1, Part 5, Arkansas.
Washington, D.C.: U.S. Government Printing Office, 1973, p. 14.

Table 7 - 3

NUMBER OF INHABITANTS AND PERCENT CHANGE, FORT SMITH
STANDARD METROPOLITAN AREA, 1960 - 1975

<u>Year</u>	<u>Number of Inhabitants</u>	<u>Percent Change</u>
1960	135,110	
1970	160,421	18.7
1975	183,275	14.2

Source: "Progress Report: An Economic Profile of the Fort Smith Metropolitan Area," Fort Smith, Ark.: Fort Smith Chamber of Commerce, no date given.

8.7 and 4.6 percent, respectively.¹¹² The small minority population simplifies the problem of school integration and reduces the prospect for the type of conflict which occurred in Little Rock.

Data on median income for the metropolitan area indicates several important facts; first, a noticeable improvement between 1959 and 1969, a period noted for rapid growth of industry; second, the financial status of the inhabitants of Fort Smith and of Sebastian County, the principal location of industry in the area, is considerably better than that for inhabitants of the other three counties in the metropolis; third, despite the improvement, the financial status of the population still lags far behind the nation as a whole. Median family income in Fort Smith in 1969, \$7,975, was the highest for the cities and counties of the region, but roughly \$1,500 below that for the nation. However, except for Van Buren, the gap between the national and local level decreased as median income rose more rapidly in the counties than for the nation.¹¹³

The change in income status also can be seen from data on the distribution of family income. In 1959, more than 57 percent of the families in the metropolis had incomes of \$3,999 or less. By 1970, the figure had been cut in half to less than 28 percent.¹¹⁴ The comparable figure for Fort Smith was 18 percent, and 28 percent for Van Buren.¹¹⁵ While some of this change can be attributed to inflation, the remainder represents a large increase in real income.

One would expect industrial development to be associated with upgrading the education of the adult population, due to improvement in schools and the attraction of persons to the area with better training. For whatever reason, the data confirm this trend. In 1950 the median number of years completed in the metropolitan area was 8.5 compared to 9.3 for the nation. Ten years later the gap had widened as the median number increased slightly for the metropolis, 8.9 and 10.6 for the nation. Sebastian County led the way, with 12.0 in 1970, virtually identical to that for the nation.¹¹⁶ The corresponding figure for Fort Smith was 12.1.

The labor force of Fort Smith in 1970 was highly concentrated in manufacturing, 28.1 percent--higher than that for the nation, state and the other port cities, and 24.3 percent in wholesale and retail trade. Employment in government, on the other hand, was the lowest for the port cities, 9 percent.¹¹⁷ For the metropolitan area, specialization in manufacturing remained steady in 1974 with 28 percent of the labor force. Employment in metals industries had clearly outdistanced that in furniture manufacturing, 11.7 and 6.4 percent, respectively. Food and kindred products made up a little more than 2 percent of the labor force. Employment in trade stood at 16.4 percent, services at 11.7 and government at 9.4 percent.¹¹⁸ In terms of occupation, roughly half the labor force in 1970 was employed in white collar occupations, which was higher than the 39 percent for the state but less than the 59 percent for Little Rock.¹¹⁹

Fort Smith has benefitted from its geographic location in a number of ways. Between Little Rock and Tulsa it is without serious competition as an economic center due, in part, to the difficulties Muskogee has experienced in recruiting industry. Proximity to natural resources--timber, gas, coal, sand and gravel, also has influenced the types of economic functions which have prospered in the Fort Smith area. Above all else, Fort Smith has become a major center for manufacturing in Arkansas, serving as a center for employment for a large area of eastern Oklahoma. The metals industry has gained in importance while that of furniture manufacturing has declined in recent years. These facts suggest the possibility that the navigation system may have played an important role in these developments.

ECONOMIC DEVELOPMENT

The impetus for development in Fort Smith began approximately in 1951 when local officials gained the first indication that the Defense Department seriously was considering closing Fort Chaffee. The impending loss of a major employer, and decreasing demand for housing and trade, resulted in the organization of a drive to bring industry to the area. Although the closing of Fort Chaffee was delayed for several years, once the decision to diversify the economy was made, many local leaders reacted negatively to the indecision over the future of the military facility. They were anxious to end the city's dependency on this installation.

The movement for industrial development began in the fifties, long before the navigation system was completed. Despite opposition from the management of the furniture plants, fearful of rising labor costs, local leaders pushed ahead. They were anxious to end the city's dependence on a large employer, and to find a substitute for the business provided by inhabitants of the Fort. For a number of years business leaders travelled to various parts of the country to interest corporate executives in locating a plant in their city. These trips at first produced little in tangible results. The decision by officials of Borg-Warner, manufacturer of Norge appliances, to build a facility in Fort Smith represented the first major acquisition. They were influenced, in part, by Winthrop Rockefeller, who took an active part in the discussions on coming to Arkansas. A plant and warehouse were completed in 1961, but the company soon encountered problems, including financial.

At about the same time period Whirlpool had been having serious labor difficulties at their appliance plant in Indiana. This had resulted in frequent delays in meeting commitments for Sears, Roebuck & Company. The opportunity to acquire the facility in Fort Smith provided an acceptable alternative. Since taking over the plant and warehouse in the mid-sixties, both have been expanded and the labor force increased from a few thousand

to over four thousand. The company also provided training for many of their employees through apprentice programs, thereby upgrading the local labor force.

The waterway did not seem to be the decisive factor in the initial decision to purchase the plant from Borg-Warner. The attitude of workers, the willingness to work hard and to meet production deadlines, reduction in union influence due to right-to-work appeared to be the major factors which led Whirlpool to acquire the facility from Borg-Warner. Since it is not known whether management considered other possible locations, and whether or not these alternatives provided the opportunity to ship steel by barge, it is difficult to estimate the importance of the transportation savings. It seems fair to state, however, that this factor was quite important for subsequent decisions to increase production at the Fort Smith facility by expanding facilities and labor force.

At the time that the Whirlpool plant went into production, considerable steel was shipped by barge to Memphis and trucked to Fort Smith. Subsequently steel came by barge to Keenan's port at Dardanelle and thence by truck. Steel came by barge to Fort Smith when the port was opened in 1969. A considerable amount of the steel handled at the port is assigned to Whirlpool.

The savings in transportation of steel is considerable, about a million dollars a year, a figure which should rise as shipments increase. Undoubtedly in choosing whether to expand the facilities at Fort Smith or elsewhere, this savings due to water transportation would not be treated lightly. But other factors also would be given great, if not greater weight, especially the savings in production due to satisfactory worker-management relationships, lower wage rates relative to the North, and the availability of additional workers in the metropolitan area when overtime was required to meet various deadlines. These factors probably influenced the decisions of other major corporations, such as Rheem and General Electric, to move to Fort Smith. The former also uses the port for shipments of steel while the latter ships by barge to Memphis and by truck to Fort Smith, a situation that could change when the amount of inbound steel reaches a level where shipment by barge becomes economical. The acquisition of Whirlpool seemed to provide the local economy with a momentum for expansion that later resulted in some important changes in the goals and strategy of local leaders concerning industrial growth. First, the plant became a major force for economic growth not only through expansion of its facilities and labor force but also by attracting firms to the area which produced parts for its appliances. The Ball Corporation, for example, opened a plant in Fort Smith to make various plastic parts used in refrigerators and freezers. Second, the recruitment strategy utilized officials of major corporations. Executives of a firm considering locating a facility in Fort Smith were taken by the Chamber of Commerce executive, Paul Latture, to meet privately with officials of one or more

companies engaged in similar lines of production. Commendations and favorable responses to technical questions from these men porably would carry greater weight than those from local leaders seeking to "sell" the community. In a sense, Whirlpool, as the first major national corporation to come to Fort Smith, apart from Borg-Warner, put the seal of approval on the community as a location for industrial operations. A similar role was played by officials of other major corporations once they were established in Fort Smith.

HISTORY AND OPERATIONS OF THE PORT

The Fort Smith Port has a number of unusual aspects. First, of the five public ports, it is the only one that does not have an adjacent industrial park. The port serves solely for receiving and shipping various commodities. Second, the planning for the port, as indicated below, was carried out hurriedly and in a very short period of time. Third, the initial amount of funds invested in port development, about a million dollars, was smaller than that spend for development of the other four ports. Fourth, a division of labor appears to have developed between the Fort Smith Port and the private port at Van Buren, the former specializing in inbound shipments of steel and outbound shipment of coal, while the Van Buren port has handled agricultural products. It is incongruous that Fort Smith, home of Clarence Byrns, a leading advocate of the navigation system and of water resource development, should have a small port with few adjacent sites for industry. The factors responsible for this situation are difficult to ascertain with accuracy. Several of the persons who were involved in the relevant events have died, and resources did not permit the in-depth interviewing of all the gentlemen who could shed light on this matter. There is considerable agreement, however, on a number of basic factors.

The leadership of Fort Smith, like those in Muskogee, elected to rely on a private organization to take resonsibility for port development. In the case of Fort Smith, that agency was the Kansas City Southern Railway. The factors that led to this decision and the process of negotiation between city officials and those of the railroad are unknown to us. While the officials of the railroad¹²⁰ announced in 1964 the intention to build a public port at Fort Smith, it seems safe to assume that this was preceded by discussions with city officials over a period of time, perhaps several years. This supposition seems reasonable as several important areas of agreement between the railroad and city government had to be reached. These included an exchange of land and the cost of municipal services for the port and industrial park. If this is true, one can assume that discussion of these matters began around 1962 or 1963. At that time Borg-Warner had opened it facility in Fort Smith and some success had been achieved in the drive to bring industry to the area. Whether or not this success had convinced local leaders and officals that the need for a port

to stimulate industrial growth was less urgent than had been the case in the fifties is uncertain. Local leaders also may have been influenced by factors that weighed heavily with leaders of Muskogee--the saving in investment to be obtained by delegating to a private agency the responsibility for port development.

In any event, the decision was made to rely on the railroad company. For this purpose city officials entered into a land transaction with the company, taking the five acre railroad terminal in exchange for all or part of the two thousand acres to be used for a port and industrial park. City officials also agreed to provide basic services for the port and industrial part at no cost to the railroad company. These facilities were to be located north of downtown Fort Smith, at navigation mile 306.3.¹²⁹ In the months that followed, the agreement between the two parties, which was said to be informal and verbal rather than contractual, came apart. Two issues were crucial: first, the persons taking office after the form of government changed from commission to city administrator, indicated that it would be too costly to provide free utility services to the port and industrial park; second, officials refused to give the railroad exclusive right to handle the freight moving in and out of the port area. There was strong feeling that, since local government had played an important role in assisting the railroad to obtain the land needed for the port and industrial park, these two concessions were excessive and, in the opinion of one local business executive, "beyond all reasonableness." After these disagreements surfaced, the railroad officials announced, early in 1968, its intention to drop the plan to develop a port. The company, however, did develop and operate an industrial park away from the river, and it continues to own the land originally intended for port development.

Four years elapsed between the time when the railroad company announced the intention to develop the port and the time when the company dropped the plan. In the interim, representatives of the company and the city presumably tried to find some way out of the impasse. One cannot help but wonder why, after the new form of government was instituted in the mid-sixties, city leaders did not recognize the matter was deadlocked and that local initiative was required. In any event, action did not take place until after the railroad company formally gave notice of abandoning the plan to develop the port. As the navigation system was expected to reach the city by the end of 1969, this left local officials with about a year and half in which to develop an alternative plan.

The city directors established a port authority in the spring of 1969, under the act used by officials in Little Rock, Act 167 of 1947. After a study was made of alternative sites, the decision was made to use land owned by the city and once used for a water treatment plant. The cost of developing this site for a port, \$68,000, was estimated to be lower than that for several other sites.¹²² The cost of a site that was rejected, estimated to be \$255,000,

...was considered to be offset by the likelihood that the access road and a considerable portion of the dock structure would be usable in a permanent port to be developed later...

Initially the site chosen also was intended to serve as a temporary port. The Pine Bluff Warehouse Company, operator of the public terminal in Pine Bluff, was employed to operate the Fort Smith port. To start operations, a road to the port site was built, the large pecan trees on the bank were bulldozed, and a floating crane brought in to unload the first shipment, a consignment of steel for Whirlpool. In subsequent months, a 40,000 square foot warehouse was constructed, plus dolphins, railroad spur and various road improvements at a cost of approximately a million dollars, financed in part by a local bond issue and by E.D.A. The port occupies five acres with an additional 17 acres available for expansion. A furniture plant occupies a site across the Poteau River from the port.

For a number of years the operators of the port and local leaders recognized the need for a turning basin. This need grew as the port handled a growing volume of tonnage. Congressmen and senators were apprised of the situation and after waiting about seven years, prospects for approval and construction by 1978 appear bright. These efforts to obtain the turning basin also indicate that local leadership is more concerned with improving the present than with developing a new facility, one which would have adequate space for industries using the navigation system.

While the above account admittedly is sketchy, and does not include the sequence of events as seen by officials of the railroad company, certain facts are indisputable and significant. First, local leaders decided early in the sixties to rely on the auspices of a private company to develop a port and industrial park. Second, when negotiations on this project broke down, local officials made a minimal investment in development of a port and made no provision for an industrial park. The port was intended to serve the needs of existing industry and other potential users that need not have a waterside location. Third, there is no indication that the current arrangement, initially thought to be temporary, will be replaced soon by a larger facility. The evidence, in the form of concern for improving the port, is to the contrary. A facility intended to be temporary appears to be permanent. Fourth, the growth in tonnage appears to be satisfactory relative to the investment of capital. The Tulsa port, with an investment of public funds almost twenty times greater than that for Fort Smith, had tonnage in 1976 approximately four times greater. However, one must also point out that the Tulsa port has a greater potential for growth and is much more diversified than its counterpart at Fort Smith. It also contributes more directly to the industrial growth of Tulsa.

The Van Buren Port

The port at Van Buren, at mile 299 of the navigation system on the left bank of the Arkansas River, is privately owned by Farmers Coop and Frontier Steel. The port is served by a spur of the Missouri Pacific, and is relatively close to Interstate 40, which runs east and west. An industrial park owned by the Crawford County Industrial Development Corporation, recently expanded from 160 to 240 acres, is less than a mile from the port. Lee Creek Industrial Park, privately owned, with about 300 acres, located at the confluence of Lee Creek and the Arkansas River, also has been developed for industrial use. Bekaert Steel purchased land for their plant from the owner of this park.

The port has two warehouses, a small and a large crane, dry bulk loading facilities and a 600,000 bushel storage facility. Farmers Coop also has 27 acres a short distance from the port where offices, a warehouse and other facilities are located. The port has largely handled fertilizer, fish meal, various agricultural products, some steel and coal.

The leadership of Van Buren has become strongly interested in industrial and population growth. This has been due, in part, to the demise of some older leaders who were more conservative and interested in stability. One notable illustrative change concerned the transfer in ownership several years ago of one of the town's two banks. The new owners, also Van Buren residents, were more interested in local development than the previous owners. Under the administration of Mayor Toothaker, who had been in office more than twenty years, and Milton Willis, former county judge and presently the executive director of the Chamber of Commerce, some notable local improvements have been made. These include construction of a city hall, with Federal money, a library and two fire stations. The community recently passed a million dollar bond issue to build a high school. The local leaders also have moved fairly early in the town's development process to improve the downtown business district. A street has been declared an historical district, and plans have been developed for restoring the railroad depot, relocating the Chamber of Commerce office and office and developing stores in accordance with an older architectural style to attract tourists. The mayor also has been active on the state level in seeking changes in the state laws which restrict the revenues of municipalities.

Van Buren appears to have a number of important resources and facilities conducive to future economic growth. These included a leadership favorable to these changes, more united at present than a decade ago, suitable industrial parks near the port, improved educational facilities, and a plan to improve the attractiveness of the community by reversing the decline of the central business district. The community also has many of the advantages enjoyed by Fort Smith--a relatively abundant gas

supply, mineral wealth in the form of coal, sand and gravel, timber, and an abundant labor supply in the metropolitan area and in the remaining counties of the development district.

PATTERN OF FUTURE DEVELOPMENT

Returning to the factors which influenced selection of a private corporation to develop a port, three factors need to be explained: first, the circumstances responsible for the initial decision; second, the decision to build a port without adequate acreage for an industrial park, and third, in later years, the apparent lack of interest in establishing a port facility which could accomodate manufacturing plants. The analysis which follows relies less on the opinions expressed by various leaders interviewed by the researchers than on comparison of Fort Smith with the other port cities.

Initially the decision to depend on a private firm to take the primary initiative and risks in developing a port probably was influenced by factors similar to those which led Muskogee leaders to do likewise, the desire to conserve fiscal resources of city and county and to avoid the uncertainties and delay involved in raising capital through bond elections. Under these circumstances, the interest of the railroad company and the prospect of a two thousand acre industrial park adjacent to the port must have had great appeal. By the time it was clear that this plan was not feasible, the continuing trend of industrial development may have convinced local leaders that a large port and industrial park were not essential for the growth of the city and of the metropolis. In 1968, when the agreement between city government and the railroad broke down, Whirlpool had become established in the former Borg-Warner plant and employed many hundreds of persons, if not thousands. Several other major corporations had opened facilities in Fort Smith, Gerbers in 1963, General Electric in 1965, giving credence to the belief that the area would continue to attract national and multi-national corporations. In addition, several firms which had been in the community for a number of years expanded local operations in the sixties, such as Baldor Electric in 1961 and 1967, which currently employs close to a thousand persons. Overall, between 1957 and 1968, 114 new plants located in Fort Smith employing close to six thousand persons. During the same period, there were 360 plant expansions and close to 7,300 jobs created. In eleven years the manufacturing labor force expanded by about 13,000, without benefit of a large, well-equipped port and industrial park. However, it would be erroneous to assume that the navigation system played an insignificant role in this industrial expansion. Previous mention was made of a million dollar annual savings in the cost of transporting steel by barge which Whirlpool has enjoyed by using the navigation system. A similar situation exists for Rheem and the other companies which have used water transportation. In addition, an even larger number of companies have benefitted from freight rate reductions for iron and steel, by about 50 percent, due to the waterway. The annual

transportation savings for these companies also should be substantial. This factor may have been of some importance in influencing companies to expand operations in Fort Smith rather than expand plants in other locations where freight rate reductions were not available. In considering the prospect of asking citizens to invest millions in a port and industrial park, local leaders could not have overlooked the evidence of growth resulting in part from a port which served mainly to receive and distribute various products.

One other factor may have been important in influencing decision making both in the late sixties and more recently. Given the relatively rapid expansion of manufacturing and of the economy, with a proportion of the labor force employed in manufacturing exceeding the national level and the highest of the port cities, about 28 percent, which by 1976 increased to 29 percent,¹²⁵ the leaders must have considered the question of how much additional growth in manufacturing could or should the institutions of the community absorb in a limited time. Fort Smith has achieved major industrial growth without benefit of facilities for industry which need to locate close to a port. The situation at Fort Smith contrasts for example with that of Pine Bluff, where economic expansion was not likely to occur to any large degree in the absence of waterfront facilities for industry. The leaders of Pine Bluff invested far more, both in capital and organizationally, in the use of the navigation system to achieve economic and population growth. The leaders of Fort Smith discovered that a port was needed to hold down the costs of transporting certain materials by rail and perhaps by truck. They also discovered that relatively modest effort on their part was needed to induce companies to open plants in their community.

ORGANIZATIONAL BASIS FOR GROWTH

As indicated above, the belief in 1951 that Fort Chaffee soon would be closed led to a general desire for economic independence from the military which took the form of a movement to expand the industrial sector. Organizationally this led in 1955 to establishment of the Fort Smith Industrial Foundation. The major accomplishment of this organization was establishment of a small industrial park, about 60 acres, which was used to provide sites for several Fort Smith companies which needed land for expansion. One, Baldor Electric, moved to the park, and subsequently expanded several times. Approximately 3,000 jobs were saved for the community in this manner. At about the same time, in the late fifties, local business leaders also organized many trips to various communities seeking plants and businesses for Fort Smith. Most of these trips produced little in the way of tangible results. For a number of years, including the present, this strategy has not been used. At the same time, the members of the Foundation have not been aggressive in the pursuit of new industry. All the industrial parks in Sebastian and Crawford Counties, with the exception of the one park developed by the Crawford County

Industrial Corporation, have been developed by private parties. Most of the industry which has come to the area in the past decade or so either was brought by members of the Arkansas Industrial Development Commission or came voluntarily and unsolicited. Fort Smith obviously had a number of important advantages which caught the eye of plant location officials in various corporations. For these reasons it probably seems safe to conclude that Fort Smith probably has the least developed and specialized apparatus for economic expansion of the five port cities.

The composition of the port authority also suggests, relative to the other port cities, the groups which have strong and those with modest interest in the waterway. Mention has been made of the fact that the port was organized under the older legislative act of 1947 which more closely limits financial capabilities compared to the later act which Pine Bluff officials used. In addition, the current composition of the port authority is unusual relative to that of the other port authorities in two respects: first, only one of the five members is a banker, in this instance, a vice president but not the top man of the newest and smallest bank in Fort Smith. Second, the remaining four members, with possibly one exception, are not officers in strictly local concerns or enterprises. Two men are executives of companies that use the waterway, Whirlpool and Arkhola; a third member is a transportation expert, and the fourth is an attorney. This composition also reinforces the impression that interest in the waterway among local business leaders is not as great as among counterparts in at least three if not four of the port cities. Where the port is considered essential and expansion an ongoing process, the leading banks are heavily represented either on the port authority, the trust authority, or both.

What of the future? Do these trends and patterns of organization signify that in the next decade or two industry needing navigation and a waterfront location will not come to the Fort Smith area? Given the advantages of energy and labor in the area, proximity to the Ozarks and other recreational areas, it seems reasonable to assume that a division of labor will develop if it is not already taking place, wherein this type of industry will locate in Van Buren. The location of Bekaert Steel may signify the initiation of this trend. The county industrial park is less than a mile from the port, and a privately owned park also is close by. The leadership of the community is more than interested in such a development, and has been active in improving various community facilities for a number of years, as indicated above. Proximity to Fort Smith permits workers and their families to take advantage of that city's medical and retail facilities. Any large employer probably would use the banking and commercial resources of Fort Smith. The builders of Fort Smith should have little or no trouble developing subdivisions in or near Van Buren. Various restrictions on continued southward growth in Fort Smith, namely the thousands of acres of government land at Fort Chaffee, also encourages residential growth to the north across the Arkansas River. This development also should strengthen the downtown business district of Fort Smith.

One additional set of considerations might contribute to an economic division of labor between Fort Smith and Van Buren. Fort Smith leaders should be concerned over the high degree of dependency on manufacturing and the high unemployment rate which occurred during the recent recession. Whirlpool laid off thousands of workers and unemployment climbed to 13 percent. As recently as December, 1976, unemployment was 8 percent, a slight decrease from 8.6 percent the previous December.¹²⁶ A more diversified economy could lessen the severity of recessions. There are several indications that some local leaders are concerned over this situation.

For a number of years little or no effort has been made to recruit industry. There is consensus among many economic leaders interviewed that the city, for the time being, can barely accomodate growth resulting from the expansion of plants already in the community. Since a number of plants have been acquired without benefit of recruiting activities, there is no point to these efforts. Furthermore, the community now seems to be at a critical turning point, where the policies of the past seem to require modification. The situation derives in part from the limitations imposed by the state on local taxing powers. As a result, the tax base, despite the rapid growth of industry, does not produce sufficient revenues for city government. Only a small portion, 11 percent, of the money paid in property taxes to the county is returned to Fort Smith. Most of these funds go to support the schools. State turnback and Federal funds provide almost half of the monies allocated for such municipal services as police, fire protection, parks and recreation.¹²⁷ City government could not operate without revenue sharing funds, more than a million dollars in 1974-1975.¹²⁸ Most leaders understandably supported a one cent sales tax, which was estimated to yield about three million dollars annually. The proposal was defeated in 1976. Consideration has also been given on occasion to imposing an income tax on persons employed in Fort Smith but who reside elsewhere. Opposition has thwarted any major move at implementation. These experiences with the consequences of growth have led to some modification of the objectives concerning future expansion. In general, leaders have become more selective, and some interest has materialized in expanding segments of the economic base other than heavy industry.

There is wide consensus among leaders on industries which are not desired in Fort Smith but less agreement on those which would be preferable. The development of this consensus is quite important as it concerns not only the economic mix, and therefore has a considerable bearing on the growth rate, but also on the occupational and class structure. Development of this consensus on the type of economic organizations which should be encouraged to locate in the city is the next important phase in the development of the area.

Several leaders indicated a strong antipathy to industries which discharge noxious pollutants, especially paper and cement companies. One paper company was discouraged from locating in the community by refusal to provide natural gas as consumption requirements were considered quite heavy. One high corporate official, a lifelong resident of Fort Smith, provided a detailed list of industry characteristics which were not desired. These included firms which paid low wages, thereby implying a bias against firms which were low skill. This was confirmed by a stated preference for firms which would not require solely or a heavy blue collar work force. It was suggested that the city had an adequate number of plants in the heavy industry category. The respondent was vague about the types of firms which would be preferred, suggesting only that the plants be stable, not subject to extremes in hiring and dismissing employees, and needing a labor force that was "a cut above heavy industry." However, there was no indication expressed by any respondent for firms whose activities required a large or predominantly white collar work force. Whether or not leaders are groping their way towards the goal of attracting "headquarters functions" is uncertain. At present, interest in this type of economic activity is manifest in efforts to obtain a state office building for the downtown improvement district, which is discussed below.

The manner in which decisions are made on such matters as whether or not a major effort should be made to recruit industry and the types of companies to be sought is probably typical for most of the communities along the Arkansas River. The decisions are made in the private sector by a small number of economic leaders, which includes top officers of the major financial institutions and of the larger, locally-owned companies. In the case of Fort Smith, the circle includes the executive secretary of the Chamber who is recognized as the man who may take the initiative in suggesting when the community is "saturated" with industry and recruiting efforts should cease and the time for their resumption. Another respondent, an executive of a financial institution, also stresses the informal and spontaneous nature of the decision-making process. The leaders, he indicated, do not take a vote on these matters but possess sound judgment, are familiar with the facts, and agree on the proper course of action. The respondent also indicated the various areas of community life which have led to changes in the expansionist goals: the impact of growth that had taken place in recent years, especially approaching the limit of the water supply, traffic congestion and the lack of funds for municipal operations. In all likelihood, this pattern of informal decision making by leaders of the private sector at meetings in the Chamber, the local businessmen's club, or other private setting probably occurs in other areas such as the current effort to improve the central business district. This small circle of economic leaders constitute the major instrumentality for establishing objectives concerning the local economy, direction and pace of growth, and the contribution to be

made by the port and navigation system. The circle evaluate and modify these goals, adding some, deleting others, revising preferences on the types of firms to be sought and the areas of the economy to be strengthened on the basis of perceived experiences with past growth and/or efforts to accomplish that end. The diversity and range of conditions with which this goal-establishing group is concerned, whether or not it extends to tourism and a convention center, for example, or the schools and the arts, may vary between communities. Variation also may be expected on occupational composition of the circles and the linkages to the organizations, both public and private, responsible for implementation of the decisions.

DOWNTOWN IMPROVEMENT

As has been the case for each of the cities in the study, growth has brought problems as well as improvements in the social and economic conditions for large numbers of residents. When Fort Smith expanded to the south, the accessibility of the central business district declined. Establishment of several shopping centers in more accessible areas, particularly Central Mall in 1969, with over 700,000 square feet and parking for over 3,000 cars, the largest of the malls built in the city, led to a major decline in the retail functions of the downtown area. In 1965, downtown had 150 stores compared to 93 in 1977.¹²⁹ A recent study of downtown by a team of architects and planners described the area as "...on the verge of a total collapse..." and "...in a state of despair...." This is understandable as "Downtown Fort Smith is approximately 40 percent vacant or abandoned..." Further decline was predicted before improvements were accomplished.¹³⁰ Since the first outlying shopping center was built in 1955, and the others in 1958, 1961, and 1963, the decline of the downtown has occurred over a twenty year period. A concerted effort to deal with this problem was slow in coming; it was not until the mid-seventies that various downtown business leaders seriously considered establishment of an improvement district. The district was established about a year later, in an area of the downtown that was about six blocks wide and fourteen blocks long, that included the headquarter buildings of several financial institutions, the Chamber of Commerce, the centers of city and county government, and the post office. Members selected directors and could issue bonds totalling as much as a million dollars for which the property owners would be responsible. Improvement of the area thus would not be a financial responsibility for taxpayers of the community, and any millage increase would not be included within the amount permitted cities by state law.

The initial step in improving the downtown is more functional than physical, seeking to increase the work force by obtaining a two million dollar, 400,000 square foot state office building, to be located near the other government centers. Acquisition of a Federal office building also

has been considered. On a longer term basis, a team of architect/planners was invited to study the downtown area and recommend various changes, a task completed early in 1977. Whether or not any of the suggestions will be adopted remains to be seen.

The downtown leaders have an opportunity to greatly improve an old and historic area of the city. To do so will require changes in an area much larger than the improvement district. It also will require coordination of the changes in the district with those in Belle Grove neighborhood, an area with many nineteenth century homes close to the main commercial area, which was designated an historic district in 1974. The National Park Service also has indicated readiness to improve the National Historic Site, roughly a mile north of the business district, including the courthouse and gallows used in the late nineteenth century by Judge Parker to maintain order in an area that was relatively unsettled. The team of architects also included in their recommendations the development of a park along the Arkansas River that was tied to these other improvements, a suggestion similar to those adopted in Tulsa and Little Rock.

Accomplishment of any plan that calls for redevelopment of the oldest areas of the city will require the involvement of various citizens groups and city government. A strategy similar to the Vision 2000 program in Tulsa or of The Inner City Alliance for Progress in Pine Bluff may have to be established. It remains to be seen whether Fort Smith leaders will be able to utilize the Arkansas River as a resource for strengthening the commercial core of the city.

ADDITIONAL CHALLENGES

The fiscal straitjacket in which all the growing cities in Arkansas find themselves will remain until fundamental changes in state laws have been accomplished. A bold effort to accomplish reform by Governor Pryor came to little in the 1977 legislative session, apart from an increase in turnback funds to cities. There is no doubt that further efforts at reform will be made in the near future.

The city government also is striving to meet the growing needs for utility services. A ten million dollar program to improve sewage treatment facilities, including the addition of secondary treatment, should be completed shortly. A major effort also is underway to expand the water supply by constructing a dam on Lee Creek at Pine Mountain, north of the city. The city will face serious water problems in five or six years if an additional source of water is not developed soon.

Considerable effort was expended recently to obtain construction of a four lane toll highway between Interstate 40 from a town a few miles east of Fort Smith to the Missouri border, to link up with an interstate highway

running north to Minneapolis. It also is hoped to extend this toll road south to Louisiana. Completion of the Arkansas portion of this highway would greatly improve Fort Smith's position as a distribution center for the Southwest. Action was postponed, however, due to the belief that traffic anticipated on the road does not justify construction at this time. The interest of local leaders in construction of this highway indicated the commitment to area development despite the present de-emphasis of recruitment of new industry. Local leaders also are interested in strengthening Fort Smith's role as a regional health center, and activity that would be enhanced by highway improvements.

CONCLUSION

Although Fort Smith has many of the problems which other cities along the Arkansas River are facing, it differs in at least one important respect. Much of the growth in economy, population, and territory has been due to factors other than the navigation system. City leaders could not wait for completion of the waterway to initiate a determined effort to end dependence on the military population at Fort Chaffee. The drive to expand the industrial sector has been remarkably successful. To the extent that the navigation system forced freight rates down and companies achieved substantial savings by locating in Fort Smith, the project has been beneficial for development. But the city leaders have not used the waterway to promote the growth of industry directly using the system, a strategy that is unlikely to change in the years ahead. For reasons indicated above, it is anticipated that such industry is more likely to come to Van Buren and that a division of labor in this respect will develop between the two cities. Fort Smith leaders ought to encourage this development as it should also strengthen the current effort at redeveloping the downtown area.

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CHAPTER 8

LEADERSHIP PATTERNS

INTRODUCTION

In their pioneer work, Dwight Sanderson and Robert Polson defined community organization as "a technique for obtaining a consensus concerning both the values that are most important for the common welfare and the best means of obtaining them." They stressed that new values arising out of the changing social environment, and about which there are diverse attitudes, test the strength of community organization and give rise to the need for integration. They concluded that if a community is to function it must have leaders and "the degree of its organization will depend largely upon their vision and efficiency." Organization of Arkansas River communities to fight for, support and utilize a controlled and navigable river was and is the responsibility of community leaders. Leadership "vision and efficiency," willingness to take financial risks or ability to command resources differed from community to community affecting directly and indirectly the use and/or marketing of Arkansas River Navigation.

Of the two hundred and fifty or more interviews conducted, one-hundred seventy-one were with men who served in leadership positions, had filled leader roles in acquiring the navigation system, and/or were involved in developmental activities within their home cities and towns, e.g., river, non-river community.

LEADER CHARACTERISTICS

No women were identified in initial community contacts or during the months of interviewing as developmental decision makers. One hundred and sixty of the 171 men identified were named. Almost 60 percent were Protestant, 5.3 percent were Catholic, and 1.7 percent stated they had no religion. Thirty-five percent did not or would not respond.

Age

Of the 171 leaders, approximately 32 percent were between the ages of 50-59. Seven communities--Tulsa, Sallisaw, Muskogee, Van Buren, Ozark, Dardanelle, and Little Rock--had the largest percentage of their leadership in this category (Table 8 - 1). Twenty-five percent of the leaders were over 60 and 40 percent were between 30 and 59 years of age. Fort Smith, Morrilton, Conway, North Little Rock and Pine Bluff had higher percentages of leaders in the lower age groups (Table 8 - 2).

Although not discernable from the Table, leaders in a number of the Arkansas communities indicated the existence of a leadership vacuum in the 40 - 49 age group. Limited economic opportunities and poor

Table 8 - 1

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY AGE, 1976

	Age											
	20 - 29		30 - 39		40 - 49		50 - 59		60 - 69		70 - 79	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
OKLAHOMA												
Tulsa	0	0.0	4	13.3	6	20.0	14	46.7	3	10.0	3	10.0
Sallisaw	0	0.0	2	33.3	0	0.0	3	50.0	0	0.0	1	16.7
Muskogee	0	0.0	3	13.0	4	17.4	10	43.5	3	13.0	2	8.7
Subtotal	0	0.0	9	15.2	10	17.0	27	45.8	6	10.2	6	10.2
ARKANSAS												
Fort Smith	0	0.0	4	21.1	7	36.8	2	10.5	0	0.0	4	21.1
Van Buren	0	0.0	1	16.7	1	16.7	2	33.2	1	16.7	1	16.7
Ozark	0	0.0	0	0.0	1	16.7	3	50.0	2	33.3	0	0.0
Morrilton	0	0.0	1	33.3	0	0.0	0	0.0	1	33.3	1	33.4
Dardanelle	1	20.0	1	20.0	0	0.0	3	60.0	0	0.0	0	0.0
Russellville	0	0.0	1	9.1	6	54.5	3	27.3	0	0.0	1	9.1
Conway	0	0.0	2	18.2	2	18.2	3	27.3	1	9.1	3	27.3
Little Rock	2	5.7	5	14.3	7	20.0	11	31.4	8	22.9	2	5.7
N. Little Rock	0	0.0	3	75.0	1	25.0	0	0.0	0	0.0	0	0.0
Pine Bluff	1	8.3	1	8.3	5	41.7	2	16.7	2	16.7	1	8.3
Subtotal	4	3.6	19	17.0	30	26.8	29	25.8	15	13.4	13	11.6
total	4	2.3	28	16.5	40	23.4	56	32.7	21	12.2	19	11.1
											2	1.2
											2	1.2
											1	.6

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY LEVEL OF EDUCATION, 1976

8.3

image encouraged outmigration in the years following the second world war. In some of the communities which exhibited strength in the 40 - 49 age group such as Fort Smith, Russellville, Conway and Little Rock, considerable progress in industrialization has been made. Availability of managerial talent in that age category may have an important advantage.

Education

Education appears to be an important factor in leadership. In five cities--Tulsa, Fort Smith, Little Rock, North Little Rock and Pine Bluff--more than 70 percent of the leaders were college graduates. Only three communities--Sallisaw, Van Buren, and Morrilton--had less than 50 percent of their leaders in the latter category. Seventeen percent of Oklahoma leaders were high school graduates or less. Muskogee, with 30.4 percent of its leaders in that classification, was a major contributor to the higher percentages in Oklahoma (Table 8 - 3).

Occupation

Community development leaders must occupy positions in the occupational structure of the community which provide time and monies for organizational and group activities. The largest percentage of leaders named and interviewed were bankers, management executives in local firms, and local government officials. The latter, in a number of cases, were also local businessmen. In the larger cities such as Tulsa, Fort Smith and Little Rock, the number of executives of companies which function in several states or of absentee-owned companies was higher than in the smaller, less industrialized towns. While several county judges were included, government representation above the county level was small. Chamber of Commerce professionals and several newspaper editor/publishers filled leadership roles in selected areas of development (Table 8 - 3).

Patterns of Residence

With the growth of industry in the United States, movement for jobs created by industrialization and government, and social mobility spurred by the wars of the last three decades, with the resulting educational opportunities provided by the G.I. Bill of Rights, geographic isolation has almost disappeared. Leaders in at least half the communities mention contacts in other parts of the country which had the following results: first, awakened interest in economic development for their home communities, second, highlighted community deficiencies in terms of recruiting industry, third, increased receptivity to outsiders or newcomers moving into their communities, and fourth, enabled them to apply the experiences of other individuals and groups related to economic development to local needs. Some of these experiences were the result of travel during the wars and activities related to organizational affiliation such as regional and national water organizations, banker associations, and the Chamber of Commerce.

Table 8 - 3

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY THEIR OCCUPATION, 1976

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY THEIR OCCUPATION, 1976																																																															
Occupation of Leaders												Government																																																			
Management/Executive												Government																																																			
Multi state				Local run				Absentee owned				Professional				Local				County				State				Federal				Regional																															
No.				%				No.				%				No.				%				No.				%				No.				%				No.				%																			
OKLAHOMA																																																															
Tulsa				3 10.0				4 13.4				3 10.0				1 3.3				4 13.3				1 3.3				0 0.0				2 6.7				2 6.7																											
Sallisaw				0 0.0				0 0.0				0 0.0				1 16.7				2 33.2				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0											
Muskogee				2 8.7				1 4.3				3 13.0				1 4.3				3 13.0				0 0.0				1 4.4				2 8.7				1 4.3				1 4.3				1 4.3				1 4.3				1 4.3											
Subtotal				5 8.5				5 8.5				6 10.2				3 5.1				9 15.3				1 1.6				1 1.6				4 6.8				3 5.1				3 5.1				3 5.1				3 5.1				3 5.1											
ARKANSAS																																																															
Fort Smith				4 21.1				1 5.3				1 5.3				0 0.0				4 21.1				2 10.5				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0											
Van Buren				1 16.7				1 16.7				1 16.7				0 0.0				1 16.7				1 16.6				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0											
Ozark				0 0.0				1 16.7				1 16.7				1 16.7				1 16.7				0 0.0				0 0.0				0 0.0				1 16.6				0 0.0				0 0.0				0 0.0				0 0.0											
Vorrilton				0 0.0				1 33.3				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0											
Gardanelle				0 0.0				2 40.0				0 0.0				0 0.0				1 20.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0											
Russellville				1 9.1				2 18.2				2 18.2				2 18.2				1 9.1				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0											
Conway				1 9.0				4 36.4				0 0.0				0 0.0				1 9.1				1 9.1				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0											
Little Rock				4 11.4				6 17.1				0 0.0				1 2.9				3 8.5				2 5.8				3 8.5				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0											
N. Little Rock				0 0.0				0 0.0				1 25.0				0 0.0				1 25.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0											
Pine Bluff				0 0.0				2 16.7				1 8.3				0 0.0				2 16.7				1 8.3				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0				0 0.0											
Subtotal				11 9.8				20 17.8				7 6.2				4 3.6				15 13.3				7 6.2				3 2.7				1 1.5				2 1.8				2 1.8				2 1.8				2 1.8				2 1.8											
total				16 9.4				25 14.6				13 7.6				7 4.2				24 14.0				8 4.7				4 2.3				5 2.9				5 2.9				5 2.9				5 2.9				5 2.9				5 2.9											

Table 8 - 3 (cont'd.)

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY THEIR OCCUPATION, 1976

	Occupation of Leaders									
	Newspaper editor/publisher		Port Authority		Chamber of commerce staff, manager/professional		Bankers		Retired	
	No.	%	No.	%	No.	%	No.	%	No.	%
OKLAHOMA										
Tulsa	2	6.7	1	3.3	3	10.0	4	13.3	0	0.0
Sallisaw	1	16.7	0	0.0	1	16.7	1	16.7	0	0.0
Muskogee	1	4.4	1	4.4	1	4.4	5	21.7	1	4.4
Subtotal	4	6.8	2	3.4	5	8.5	10	17.0	1	1.6
ARKANSAS										
Fort Smith	2	10.5	0	0.0	0	0.0	5	26.2	0	0.0
Van Buren	0	0.0	0	0.0	1	16.6	0	0.0	0	0.0
Ozark	0	0.0	0	0.0	0	0.0	1	16.6	0	0.0
Morrilton	0	0.0	0	0.0	1	33.4	1	33.3	0	0.0
Dardanelle	0	0.0	1	20.0	0	0.0	0	0.0	0	0.0
Russellville	0	0.0	0	0.0	1	9.0	2	18.2	0	0.0
Conway	1	9.1	0	0.0	1	9.1	2	18.2	0	0.0
Little Rock	1	2.9	1	2.9	6	17.1	6	17.1	0	0.0
N. Little Rock	0	0.0	0	0.0	1	25.0	1	25.0	0	0.0
Pine Bluff	0	0.0	1	8.3	1	8.3	3	25.1	1	8.3
Subtotal	4	3.6	3	2.6	12	10.7	21	18.7	1	1.0
total	8	4.7	5	2.9	17	9.9	31	18.1	2	1.2
										.6

Consequently, an attempt was made to determine the residence patterns of leaders: how long they had lived in their communities and in how many other communities they had lived in and out of the state. Almost a fourth of the leaders were lifetime residents of the communities in which they lived and another fourth had lived there 31 or more years. Twelve percent had lived there less than 5 years and 10.5 percent had lived in their respective communities between 6 - 10 years. Communities such as Russellville and Tulsa, where there had been considerable in-migration, had higher percentages of short-time residents in leader positions (Table 8 - 4).

Leaders in Tulsa, Fort Smith, Little Rock and Pine Bluff, all growth areas, had lived in one or more other communities in and outside of the state. Whereas 33 percent had lived in one additional and 15.1 percent in two additional communities in the state, 21.6 percent had lived in one and 8.8 percent had lived in two communities outside the state (Tables 8 - 5, 8 - 6). While the numbers are small, three times as many Arkansas leaders, 19 compared to 5 in Oklahoma, lived in three or more communities outside of the state. Four in Arkansas had lived in 8 out-of-state communities (Table 8 - 6).

Organizational Affiliation

Nearly 60 percent of all leaders were members of clubs and organizations in their communities. Approximately 37 percent of those affiliated with organizations had membership in nine or more organizations (Table 8 - 7). At least 50 percent of the leaders in all of the communities except Sallisaw, Fort Smith, Ozark, Van Buren and North Little Rock held organizational membership. Leaders in Tulsa, Muskogee, Fort Smith, and Little Rock held the largest number of memberships.

Over half the leaders held an office in an organization. Of the latter group, more held office in only one or two organizations (24.6 and 16.4 percent respectively). Thus, while belonging to many organizations, leaders restricted office holding to a small number (Table 8 - 8).

Boards of Directors

As leaders assume positions of higher status in and out of a community they seem to become more selective in their participation choices. For example, only infrequently today do we find top economic leaders running for local political office. On the other hand, director positions in economic organizations, banks, and social institutions with high prestige become more and more attractive as they become more and more feasible. Ascension to these positions offers prestige, resources for action, the opportunity to make policy decisions, and an indication that the individual "has arrived." Almost 70 percent of leaders interviewed were directors of at least one organization. In Tulsa, Conway, and Pine Bluff, the percentage was over 80 percent. In all other communities except Van Buren (16.7 percent) it was at least 50 percent (Table 8 - 9).

Table 8 - 4

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY THEIR LENGTH OF RESIDENCE IN THEIR COMMUNITY OF RESIDENCY, 1976

	Length of Residence												NA/NR			
	0 - 5		6 - 10		11 - 20		21 - 30		31 - 50		50+				Lifetime	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
OKLAHOMA																
Tulsa	0	0.0	6	20.0	3	10.0	7	23.3	2	6.7	2	6.7	7	23.3	3	10.0
Sallisaw	1	16.7	1	16.7	0	0.0	1	16.7	0	0.0	1	16.7	2	33.2	0	0.0
Muskogee	4	17.4	3	13.0	0	0.0	6	26.1	6	26.1	2	8.7	2	8.7	0	0.0
Subtotal	5	8.5	10	17.0	3	5.1	14	23.7	8	13.5	5	8.5	11	18.6	3	5.1
ARKANSAS																
Fort Smith	5	26.3	0	0.0	1	5.3	1	5.3	5	26.3	2	10.5	5	26.3	0	0.0
Van Buren	2	33.3	0	0.0	0	0.0	0	0.0	0	0.0	1	16.7	3	50.0	0	0.0
Ozark	1	16.7	1	16.7	0	0.0	0	0.0	2	33.3	0	0.0	2	33.3	0	0.0
Morrilton	0	0.0	0	0.0	1	33.3	0	0.0	1	33.4	0	0.0	0	0.0	1	33.3
Dardanelle	0	0.0	0	0.0	0	0.0	0	0.0	1	20.0	0	0.0	3	60.0	1	20.0
Jussellville	4	36.4	1	9.1	0	0.0	3	27.3	0	0.0	1	9.1	2	18.1	0	0.0
Conway	0	0.0	1	9.1	0	0.0	0	0.0	3	27.3	2	18.2	5	45.5	0	0.0
Little Rock	3	8.6	3	8.6	8	22.9	5	14.3	6	17.1	2	5.7	4	11.4	4	11.4
N. Little Rock	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	3	75.0	0	0.0
Pine Bluff	0	0.0	2	16.7	3	25.0	2	16.7	0	0.0	2	16.6	3	25.0	0	0.0
Subtotal	16	14.3	8	7.1	13	11.6	11	9.8	18	16.1	10	8.9	30	26.8	6	5.4
total	21	12.3	18	10.5	16	9.4	25	14.6	26	15.2	15	8.8	41	24.0	9	5.2

Table 8 - 5

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY THE NUMBER OF OTHER COMMUNITIES WHERE THEY HAVE LIVED WITHIN THE STATE, 1976		Other Communities of Residence Within the State											
		1		2		3		4		6		NA/NR	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>OKLAHOMA</u>													
Tulsa	7	23.3		3	10.0	2	6.7	1	3.3	0	0.0	17	56.7
Sallisaw	2	33.3		0	0.0	0	0.0	0	0.0	0	0.0	4	66.7
Muskogee	8	34.8		9	39.1	0	0.0	0	0.0	0	0.0	6	26.1
Subtotal	17	28.8		12	20.3	2	3.4	1	1.7	0	0.0	27	45.8
<u>ARKANSAS</u>													
Fort Smith	4	21.0		6	31.6	2	10.5	1	5.3	0	0.0	6	31.6
Van Buren	1	16.7		0	0.0	0	0.0	0	0.0	0	0.0	5	83.3
Ozark	2	33.3		0	0.0	1	16.7	0	0.0	1	16.7	2	33.3
Morrilton	0	0.0		2	66.7	0	0.0	0	0.0	0	0.0	1	33.3
Dardanelle	1	20.0		0	0.0	0	0.0	0	0.0	0	0.0	4	80.0
Pussellville	4	36.4		0	0.0	2	18.1	0	0.0	0	0.0	5	45.5
Conway	5	45.5		2	66.7	0	0.0	0	0.0	0	0.0	4	36.4
Little Rock	13	37.1		4	11.4	2	5.7	1	2.9	0	0.0	15	42.9
N. Little Rock	3	75.0		0	0.0	0	0.0	0	0.0	0	0.0	1	25.0
Pine Bluff	4	33.3		3	25.1	1	8.3	0	0.0	0	0.0	4	33.3
Subtotal	37	33.0		17	15.1	8	7.1	2	1.8	1	1.0	47	42.0
total	54	31.6		29	17.0	10	5.8	3	1.7	0	.6	74	43.3

Table 8 - 6

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY THE NUMBER OF OTHER COMMUNITIES WHERE THEY HAVE LIVED OUTSIDE OF THE STATE, 1976

Other Communities of Residence Outside of State																		
1		2		3		4		5		6		7		8		NA/NR		
No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
OKLAHOMA																		
Tulsa	7	23.3	3	10.1	0	0.0	1	3.3	1	3.3	0	0.0	1	3.3	0	0.0	17	56.7
Sallisaw	0	0.0	1	16.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	5	83.3
Muskogee	6	26.1	2	8.6	1	4.4	0	0.0	1	4.4	0	0.0	0	0.0	0	0.0	13	56.5
Subtotal	13	22.0	6	10.2	1	1.7	1	1.7	2	3.4	0	0.0	1	1.7	0	0.0	35	59.3
ARKANSAS																		
Fort Smith	1	10.5	2	10.5	3	15.8	0	0.0	1	5.3	0	0.0	0	0.0	0	0.0	11	57.9
Van Buren	0	0.0	1	16.7	1	16.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	4	66.6
Ozark	1	33.3	0	0.0	0	0.0	1	16.7	0	0.0	0	0.0	0	0.0	0	0.0	3	50.0
Morrilton	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	2	66.7
Dardanelle	1	20.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	4	80.0
Russellville	3	27.2	2	18.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	5	45.5
Conway	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	11	100.0
Little Rock	11	31.4	2	5.7	3	8.6	2	5.7	2	5.7	1	2.9	0	0.0	2	5.7	12	34.3
N. Little Rock	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	3	75.0
Pine Bluff	4	33.4	1	8.3	0	0.0	0	0.0	0	0.0	1	8.3	0	0.0	1	8.3	5	41.7
Subtotal	24	21.4	9	8.0	7	6.3	3	2.7	3	2.7	2	1.7	0	0.0	4	3.6	60	53.6
total	37	21.6	15	8.8	8	4.7	4	2.3	5	2.9	2	1.2	1	.6	4	2.3	95	55.6

Table 8 - 7

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY WHETHER THEY HELD MEMBERSHIP IN ORGANIZATIONS AND THE NUMBER OF AFFILIATIONS, 1976

Organization Affiliation																		
Membership					Number of Memberships													
Yes		No		NA/NR	1		2		3		4		8		9			
No.	%	No.	%	No.	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
OKLAHOMA																		
Tulsa	20	66.7	3	10.0	7	23.3	9	30.0	5	16.7	4	13.3	2	6.7	0	0.0	10	33.3
Sallisaw	2	33.3	2	33.3	2	33.4	2	33.3	1	16.7	0	0.0	0	0.0	0	0.0	3	50.0
Muskogee	13	56.6	5	21.7	5	21.7	9	39.0	4	17.4	0	0.0	1	4.4	1	4.4	8	34.8
Subtotal	35	59.3	10	17.0	14	23.7	20	33.8	10	17.0	4	6.8	3	5.1	1	1.7	21	35.6
ARKANSAS																		
Fort Smith	8	42.1	5	26.3	6	31.6	6	31.6	2	10.5	2	10.5	1	5.3	0	0.0	8	42.1
Van Buren	2	33.3	4	66.7	0	0.0	1	16.7	1	16.7	0	0.0	0	0.0	0	0.0	4	66.6
Ozark	2	33.3	3	50.0	1	16.7	2	33.3	1	16.7	0	0.0	0	0.0	0	0.0	3	50.0
Morrilton	2	66.7	1	33.3	0	0.0	2	66.7	0	0.0	0	0.0	0	0.0	0	0.0	1	33.3
Dardanelle	4	80.0	0	0.0	1	20.0	3	60.0	0	0.0	0	0.0	1	20.0	0	0.0	1	20.0
Russellville	9	81.8	2	18.2	0	0.0	8	72.7	1	9.1	0	0.0	0	0.0	0	0.0	2	18.2
Conway	6	54.6	1	9.0	4	36.4	4	36.4	3	27.2	0	0.0	0	0.0	0	0.0	4	36.4
Little Rock	21	60.0	7	20.0	7	20.0	9	25.7	9	25.7	2	5.7	2	5.7	0	0.0	13	37.2
N. Little Rock	1	25.0	2	50.0	1	25.0	0	0.0	0	0.0	1	25.0	0	0.0	0	0.0	3	75.0
Pine Bluff	10	83.4	1	8.3	1	8.3	8	66.0	2	16.7	0	0.0	0	0.0	0	0.0	2	16.7
Subtotal	65	58.0	26	23.2	21	18.8	43	38.4	19	16.9	5	4.5	4	3.6	0	0.0	41	36.6
total	100	58.5	36	21.1	35	20.4	63	36.8	29	17.0	9	5.3	7	4.1	1	.6	62	36.2

Table 8 - 8

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY WHETHER THEY HELD AN OFFICE IN AN ORGANIZATION AND THE NUMBER OF OFFICES THEY HELD, 1976

	Office Holder										Number of Offices Held in Organizations										NA/NR	
	Yes		No		NA/NR		1		2		3		4		5		6		NA/NR		No.	%
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
OKLAHOMA																						
Tulsa	16	53.3	8	26.7	6	20.0	6	20.0	7	23.3	3	10.0	0	0.0	0	0.0	0	0.0	0	0.0	14	46.7
Sallisaw	2	33.3	3	50.0	1	16.7	3	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	3	50.0
Muskogee	12	52.2	10	43.4	1	4.4	8	34.8	3	13.0	1	4.4	1	4.4	0	0.0	0	0.0	0	0.0	10	43.4
Subtotal	30	50.8	21	35.6	8	13.6	17	28.8	10	16.9	4	6.8	1	1.7	0	0.0	0	0.0	0	0.0	27	45.8
ARKANSAS																						
Fort Smith	13	68.4	5	26.3	1	5.3	6	31.6	3	10.8	3	15.7	0	0.0	1	5.2	0	0.0	0	0.0	6	31.5
Van Buren	2	33.3	4	66.7	0	0.0	0	0.0	1	16.7	0	0.0	1	16.7	0	0.0	0	0.0	0	0.0	4	66.6
Czark	1	10.6	5	33.3	0	0.0	0	0.0	0	0.0	0	0.0	1	16.7	0	0.0	0	0.0	0	0.0	5	83.3
Morrilton	3	100.0	0	0.0	0	0.0	2	66.7	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Dardanelle	2	40.0	2	40.0	1	20.0	0	0.0	2	40.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	3	60.0
Russellville	4	36.4	6	54.6	1	9.0	2	18.2	3	27.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	6	54.5
Conway	6	54.6	4	36.4	1	9.0	3	27.3	1	9.1	1	9.1	0	0.0	0	0.0	1	9.1	5	45.4		
Little Rock	17	48.6	16	45.7	2	5.7	7	20.0	4	11.4	3	8.6	2	5.7	1	2.9	0	0.0	0	0.0	18	51.4
N. Little Rock	3	75.0	1	25.0	0	0.0	1	25.0	1	25.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0	1	25.0
Pine Bluff	8	66.7	4	33.3	0	0.0	4	33.3	3	25.0	0	0.0	1	8.4	0	0.0	0	0.0	0	0.0	4	33.3
Subtotal	59	52.6	47	42.0	6	5.4	25	22.3	18	16.0	9	8.0	5	4.5	2	1.8	1	1.0	1	1.0	52	46.4
total	89	52.0	68	39.8	14	8.2	42	24.6	28	16.4	13	7.6	6	3.5	2	1.2	1	.6	79	46.1		

Table 8 - 9

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY WHETHER THEY
ARE ON THE BOARD OF DIRECTORS IN AN ORGANIZATION AND NUMBER OF DIRECTORSHIPS HELD, 1976

ARE ON THE BOARD OF DIRECTORS IN AN ORGANIZATION AND NUMBER OF DIRECTORSHIPS HELD, 1976																		
Director of a Firm					Number of Directorships													
Yes		No		NA/NR	1 - 2		3 - 5		6 - 9		10+		None		NA/NR			
No.	%	No.	%	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
OKLAHOMA																		
25	83.3	3	10.0	2	6.7	9	30.0	9	30.0	2	6.7	1	3.3	2	6.7	7	23.3	
Tulsa																		
4	66.7	2	33.3	0	0.0	4	66.6	1	16.7	0	0.0	0	0.0	0	0.0	1	16.7	
Sallisaw																		
14	60.9	8	34.8	1	4.3	7	30.4	5	21.7	2	8.7	0	0.0	0	0.0	9	39.2	
Muskogee																		
43	72.9	13	22.0	3	5.1	20	33.9	15	25.4	4	6.8	1	1.7	2	3.4	17	28.8	
Subtotal																		
ARKANSAS																		
12	63.2	7	36.8	0	0.0	3	15.6	7	36.9	2	10.6	0	0.0	0	0.0	7	36.9	
Fort Smith																		
1	16.7	5	83.3	0	0.0	0	0.0	1	16.7	1	16.6	0	0.0	0	0.0	4	66.7	
Van Buren																		
4	66.7	2	33.3	0	0.0	3	50.0	1	16.7	0	0.0	0	0.0	0	0.0	2	33.3	
Ozark																		
2	66.7	1	33.3	0	0.0	0	0.0	2	66.7	0	0.0	0	0.0	0	0.0	1	33.3	
Morrilton																		
3	60.0	1	20.0	1	20.0	3	60.0	0	0.0	0	0.0	0	0.0	0	0.0	2	40.0	
Dardanelle																		
7	63.6	4	36.4	0	0.0	4	36.4	2	18.2	0	0.0	0	0.0	0	0.0	5	45.4	
Russellville																		
10	90.9	1	9.1	0	0.0	6	54.6	5	45.4	0	0.0	0	0.0	0	0.0	0	0.0	
Conway																		
20	57.1	14	40.0	1	2.9	10	28.9	7	20.0	3	8.6	1	2.7	1	2.7	13	37.1	
Little Rock																		
2	50.0	2	50.0	0	0.0	0	0.0	2	50.0	0	0.0	0	0.0	0	0.0	2	50.0	
N. Little Rock																		
10	83.3	2	16.7	0	0.0	4	33.4	3	25.0	1	8.3	1	8.3	0	0.0	3	25.0	
Pine Bluff																		
71	63.4	39	34.8	2	1.8	33	29.5	30	26.8	7	6.2	2	1.8	1	.9	39	34.8	
Subtotal																		
114	66.7	52	30.4	5	2.9	53	31.0	45	26.3	11	6.4	3	1.8	3	1.8	56	32.7	
total																		

Thirty-one percent of leaders were members of 1-2 boards and 26.3 percent were on 3 to 5 boards. Larger percentages of Tulsa, Fort Smith, Conway, North Little Rock and Pine Bluff leaders belonged to three or more boards. Almost half of the leaders, 44.4 percent, were on the boards of colleges, hospitals, and religious organizations on the local, state and national level. All three usually attempt to attract men who have had considerable career success and who have links to other influential individuals, groups, and organizations. A fourth of the leaders held bank board positions and a fourth were on the boards of industrial companies (Table 8-10). Approximately 15 percent were Chamber of Commerce directors. Since leaders were identified in terms of their role in overall community development on and off the river, some involvement was expected in port or water related organizations. Seventeen percent of leaders held such positions. Leaders in Tulsa, Muskogee, Little Rock and Pine Bluff, were port development and continued efforts in river development were verbalized repeatedly, predominated on these boards. They ranged from local port authority boards to regional and national water organizations. The number and type of board memberships held by leaders in Arkansas River communities, both local and extralocal, suggested developmental leaders in the larger as well as the smaller communities operated from an economic base of power on the local level.

POLICY DEVELOPMENT

It has been suggested that the development of policy, recognized by leadership and used as a guideline for decision making and planning regardless of whether it is written or not, permits, limits or excludes development. An attempt was made to determine whether leaders in Arkansas River communities had developed and reached a degree of consensus on policy in three areas--waterway use, economic development, and the improvement of community facilities. The three areas are interrelated. Waterway development was seen by early leaders as a spur to economic development in adjacent counties. Furthermore, community improvements of both a physical and social nature often must exist before economic development may proceed.

Economic Development

More consensus concerning the existence of policy was expressed in terms of economic development. Over 90 percent of leaders in every community except Tulsa (86.7 percent) and Van Buren (83.3 percent) stated economic policies existed (Table 8 - 11). Approximately 60 percent of leaders described their community's policy as one of "as much development as possible with careful planning." Leaders emphasized the importance of "balanced growth and selectivity" in recruitment of industry.

Communities that appeared to be less concerned with planning and more concerned with "as much development as possible" were Muskogee, Oklahoma, North Little Rock and Pine Bluff, Arkansas. Thirteen percent of the communities stated unequivocally they wished to attract only industries which are "self supporting." Russellville, Van Buren and Muskogee leaders were more adamant on that issue. In several other Arkansas communities, leaders

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY TYPE OF ORGANIZATION IN WHICH THEY HELD A DIRECTORSHIP, 1976

8.15

Table 8 - 10 (cont'd.)

	Type of Directorship											
	Port/Water Related						Education/Medicine/Religion					
	No.	%	Yes	No.	%	NA/NR	Yes	No.	%	No.	%	NA/NR
OYLAHOMA												
Tulsa	10	33.3	17	56.7	3	10.0	16	53.3	11	36.7	3	10.0
Sallisaw	0	0.0	6	100.0	0	0.0	2	33.3	4	66.7	0	0.0
Mustogee	4	17.3	18	78.3	1	4.4	9	39.1	13	56.5	1	4.4
Subtotal	14	23.7	41	69.5	4	6.8	27	45.8	28	47.4	4	6.8
ARKANSAS												
Fort Smith	0	0.0	19	100.0	0	0.0	11	57.9	8	42.1	0	0.0
Van Buren	1	16.7	5	83.3	0	0.0	1	16.7	5	83.3	0	0.0
Ozark	0	0.0	6	100.0	0	0.0	2	33.3	4	66.7	0	0.0
Morrilton	1	33.3	2	66.7	0	0.0	2	66.7	1	33.3	0	0.0
Dardanelle	2	40.0	2	40.0	1	20.0	2	40.0	2	40.0	1	20.0
Russellville	0	0.0	11	100.0	0	0.0	3	27.3	8	72.7	0	0.0
Conway	2	18.2	0	0.0	0	0.0	6	54.5	5	45.5	0	0.0
Little Rock	6	17.1	26	74.3	3	8.6	14	40.0	18	51.4	3	8.6
N. Little Rock	0	0.0	4	100.0	0	0.0	2	50.0	2	50.0	0	0.0
Pine Bluff	8	66.7	4	33.3	0	0.0	6	50.0	6	50.0	0	0.0
Subtotal	20	17.8	88	78.6	4	3.6	49	43.8	59	52.6	4	3.6
total	34	19.9	129	75.4	8	4.7	76	44.4	87	50.9	8	4.7

Table 8 - 11

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY WHETHER THEIR COMMUNITIES HAD DEVELOPED
POLICIES ON (a) THE USE OF THE WATERWAY, (b) ECONOMIC GROWTH, AND (c) IMPROVEMENT OF COMMUNITY FACILITIES, 1976

	Policies											
	Waterway Policies				Economic Policies				Improvement of Community Facilities			
	No.	%	No.	%	NA/NR	%	Yes	No	%	Yes	No	%
OKLAHOMA												
Tulsa	26	86.6	2	6.7	2	6.7	26	86.7	1	3.3	3	10.0
Salisbury	6	100.0	0	0.0	0	0.0	6	100.0	0	0.0	0	0.0
Muskogee	19	82.6	2	8.7	2	8.7	21	91.3	2	8.7	0	0.0
Subtotal	51	86.4	4	6.8	4	6.8	53	89.8	3	5.1	3	5.1
ARKANSAS												
Fort Smith	8	42.1	6	31.6	5	26.3	18	94.8	0	0.0	1	5.2
Van Buren	2	33.3	1	16.7	3	50.0	5	83.3	0	0.0	1	16.7
Czark	2	33.3	4	66.7	0	0.0	6	100.0	0	0.0	0	0.0
Morrilton	2	66.7	1	33.3	0	0.0	3	100.0	0	0.0	0	0.0
Dardanelle	2	40.0	0	0.0	3	60.0	5	100.0	0	0.0	0	0.0
Russellville	5	45.4	2	18.2	4	36.4	11	100.0	0	0.0	0	0.0
Conway	8	72.7	2	18.2	1	9.1	11	100.0	0	0.0	0	0.0
Little Rock	28	80.0	0	0.0	7	20.0	33	94.3	0	0.0	2	5.7
N. Little Rock	4	100.0	0	0.0	0	0.0	4	100.0	0	0.0	0	0.0
Pine Bluff	10	83.3	2	16.7	0	0.0	11	91.7	0	0.0	1	8.3
Subtotal	71	63.4	18	16.1	23	20.5	107	95.5	0	0.0	5	4.5
total	122	71.3	22	12.9	27	15.8	160	93.6	3	1.7	8	4.7

referred to the problem that Russellville had encountered with one new industry for which costly changes had to be made in governmental services. "We don't want what happened in Russellville to happen here," was heard repeatedly (Table 8 - 12).

Almost 30 percent of the leaders recognized that differences of opinion existed on economic policies. The greatest differences existed in Tulsa, Muskogee, Fort Smith, Van Buren, Dardanelle, Little Rock and North Little Rock and were held by community groups and other leaders. In a few communities, bankers were named as the differing parties. There appeared to be two major reasons for differences. First, some leaders want the community to grow, others want it to remain the same (22.2 percent). Second, disputes had developed over how the community was to grow (4.7 percent), in terms of types, size and number of industries they wished to attract (Table 8 - 12).

Waterway Development

Seventy-two percent of leaders recognized the development of policies on both the waterway and community improvements. All of the Oklahoma communities plus Conway, Little Rock, North Little Rock and Pine Bluff in Arkansas had large numbers of leaders who recognized the existence of waterway policies (Table 8 - 11). Fifty-eight percent of leaders stated their communities had policies of orderly, slow development of the river with continuous river improvements, upgrading navigation, shoreline recreation and industrial development. Some leaders mentioned land use plans, selectivity of land use along the river, future private port planning, and further cooperative efforts between the U.S. Army Corps of Engineers and water users to increase safety and improve services (Table 8 - 13).

Unlike economic policy dissension, a very small percentage, 6.3 percent, felt a difference of opinion existed--usually on the part of a few leaders and public officials.

The strong positive opinion held and expressed by leaders in community after community praising the development of the river, its limitation of flooding, the utilization of river parks and recreation by local residents, and the miracle-like change of the river from its previous cesspool quality to a high level of nonpollution, seemingly accounts for the lack of policy discord.

Improvement of Community Facilities

To repeat, 72.5 percent of Arkansas River community leaders felt their communities had developed policies on improvement of community facilities (Table 8 - 12). Leader responses often grouped different or interrelated areas. Almost 45 percent of the leaders described policies for improvement of all areas related to and affecting industrial recruitment such as increased water and sewer capacity, expansion or development of airport

Table 8 - 12

LEADER IDENTIFICATION OF ECONOMIC POLICIES FAVORED BY ARKANSAS RIVER VALLEY COMMUNITIES,
WHETHER DIFFERENCES OF OPINIONS EXIST AND WHO DIFFERS, AND NATURE OF DIFFERENCES, 1976

	Economic Policies							
	As much development as possible with careful planning (balanced growth selectivity)		As much development as possible (no comment on planning or selectivity)		Attraction of industry which is self-supporting		Other	
	No.	%	No.	%	No.	%	No.	%
OKLAHOMA								
Tulsa	23	76.7	2	6.7	0	0.0	1	3.3
Sallisaw	4	66.7	1	16.7	1	16.6	0	0.0
Mustogee	7	30.4	7	30.4	6	26.1	1	4.4
Subtotal	34	57.6	10	16.9	7	11.9	2	3.4
ARKANSAS								
Fort Smith	13	68.4	1	5.3	3	15.7	1	5.3
Van Buren	2	33.3	0	0.0	3	50.0	0	0.0
Osage	2	33.3	0	0.0	1	16.7	3	50.0
Morrilton	3	100.0	0	0.0	0	0.0	0	0.0
Dardanelle	4	80.0	0	0.0	1	4.4	0	0.0
Russellville	4	36.4	0	0.0	7	63.6	0	0.0
Conway	8	72.7	3	27.3	0	0.0	0	0.0
Little Rock	24	68.6	9	25.7	0	0.0	0	0.0
N. Little Rock	2	50.0	2	50.0	0	0.0	0	0.0
Pine Bluff	7	58.3	4	33.4	0	0.0	0	0.0
Subtotal	69	61.6	19	17.0	15	13.4	4	3.6
total	103	60.2	29	17.0	22	12.9	6	3.5
							11	6.4

Table 8 - 12 (cont'd.)

	Economic Policies												
	Existence of Difference of Opinion						Who Differs						
	Yes			NA/NR			Community groups other leaders		Bankers, others		NA/NR		
	No.	%	No.	No.	%	No.	%	No.	%	No.	%	No.	%
OKLAHOMA													
Tulsa	13	43.3	12	40.0	5	16.7	11	36.7	1	3.3	18	60.0	
Sallisaw	1	16.7	5	83.3	0	0.0	1	16.7	0	0.0	5	83.3	
Muskogee	10	43.5	10	43.5	3	13.0	10	43.5	0	0.0	13	56.5	
Subtotal	24	40.6	27	45.8	8	13.6	22	37.3	1	1.7	36	61.0	
ARKANSAS													
Fort Smith	8	42.1	6	31.6	5	26.3	6	31.6	0	0.0	13	68.4	
Van Buren	3	50.0	2	33.3	1	16.7	3	50.0	0	0.0	3	50.0	
Ozark	1	16.7	5	83.3	0	0.0	1	16.7	0	0.0	5	83.3	
Morrilton	0	0.0	3	100.0	0	0.0	0	0.0	0	0.0	3	100.0	
Dardanelle	2	40.0	3	60.0	0	0.0	2	40.0	0	0.0	3	60.0	
Russellville	0	0.0	9	81.8	2	18.2	0	0.0	0	0.0	11	100.0	
Conway	2	18.2	7	63.6	2	18.2	2	18.2	0	0.0	9	81.8	
Little Rock	13	37.1	13	37.1	9	25.8	11	31.4	2	5.7	22	62.9	
M. Little Rock	2	50.0	2	50.0	0	0.0	2	50.0	0	0.0	2	50.0	
Pine Bluff	2	16.7	9	75.0	1	8.3	2	16.7	0	0.0	10	83.3	
Subtotal	33	29.4	59	52.7	20	17.9	29	25.9	2	1.8	81	72.3	
total	57	33.3	86	50.3	28	26.8	51	29.8	3	1.8	117	68.4	

Table 8 - 12 (cont'd.)

Nature of Difference on Ecopolicies										
	Some want to grow, other want to remain the same		Disputes over how to grow		Interested in own area concern rather than community		Other		NA/NR	
	No.	%	No.	%	No.	%	No.	%	No.	%
OKLAHOMA										
Tulsa	5	16.7	4	13.3	3	10.0	0	0.0	18	60.0
Sallisaw	0	0.0	1	16.7	0	0.0	0	0.0	5	83.3
Mustogee	10	43.5	0	0.0	0	0.0	0	0.0	13	56.5
Subtotal	15	25.4	5	8.5	3	5.1	0	0.0	36	61.0
ARKANSAS										
Fort Smith	6	31.8	0	0.0	0	0.0	0	0.0	13	68.2
Van Buren	3	50.0	0	0.0	0	0.0	0	0.0	3	50.0
Czark	1	16.7	0	0.0	0	0.0	0	0.0	5	83.3
Morrilton	0	0.0	0	0.0	0	0.0	0	0.0	3	100.0
Dardanelle	1	20.0	1	20.0	0	0.0	0	0.0	3	60.0
Russellville	0	0.0	0	0.0	0	0.0	0	0.0	11	160.0
Conway	1	9.1	0	0.0	1	9.1	0	0.0	9	81.8
Little Rock	8	22.9	2	5.7	1	2.9	2	5.7	22	62.8
N. Little Rock	1	25.0	0	0.0	0	0.0	1	25.0	2	50.0
Pine Bluff	2	16.7	0	0.0	0	0.0	0	0.0	10	83.3
Subtotal	23	20.5	3	2.7	2	1.8	3	2.7	81	72.3
total	38	22.2	8	4.7	5	2.9	3	1.8	117	68.4

Table 8 - 13

USE-OF-WATERWAY POLICIES FAVORED BY ARKANSAS RIVER COMMUNITY LEADERS, 1976									
	Use of Waterway Policies								
	Orderly development of river with continuous river improvements			As much development as possible			Other		
	No.	%		No.	%		No.	%	NA/NR
OKLAHOMA									
Tulsa	23	76.7		1	3.3		2	6.7	4 13.3
Sallisaw	4	66.7		1	16.7		1	16.6	0 0.0
Muskogee	16	69.6		1	4.4		2	8.7	4 17.3
Subtotal	43	72.9		3	5.1		5	8.5	8 13.5
ARKANSAS									
Fort Smith	8	42.1		0	0.0		0	0.0	11 57.9
Van Buren	2	33.3		0	0.0		0	0.0	4 66.7
Ozark	2	33.3		0	0.0		0	0.0	4 66.7
Morrilton	2	66.7		0	0.0		0	0.0	1 33.3
Dardanelle	2	40.0		0	0.0		0	0.0	3 60.0
Russellville	5	45.5		0	0.0		0	0.0	6 54.5
Conway	7	63.6		0	0.0		2	18.2	2 18.2
Little Rock	26	74.2		1	2.9		1	2.9	7 20.0
M. Little Rock	4	100.0		0	0.0		0	0.0	0 0.0
Pine Bluff	7	58.3		3	25.0		0	0.0	2 16.7
Subtotal	65	58.0		4	3.6		3	2.7	40 35.7
total	108	63.2		7	4.0		8	4.7	48 28.1

runways. The smaller cities that were attempting to grow and had experienced limited success due to lack of specific facilities such as Sallisaw, Ozark, Russellville and Conway, were especially committed, 83.3, 100.0, 63.6 and 72.7 percent, respectively (Table 8 - 14). Some community leaders, (11.5 percent) whose communities were further along in certain developmental aspects added to the improvement listed above the development of colleges and cultural opportunities. Tulsa, Pine Bluff, Little Rock, and Muskogee leaders described the development of such policies since industries appear to place considerable value, after economic considerations, on the location of a college offering course and degree opportunities for employees and executive staff. Families are attracted by availability of music, art, concerts, theatre, etc. Other policies stressed improvement of roads and other transportation (6.4 percent), development of a slack water port (2.9 percent), and various cultural improvements (4.7 percent), (Table 8 - 14).

Almost a fourth of the leaders suggested some leader disagreement with community development policies. There appeared to be four reasons responsible for differences. Primarily, the most important was the fact that some groups had their own ideas of which community improvements should be high priority, 12.5 percent, (Table 8 - 15). In several cases, disputes centered around the issue of port development versus no port development, opposition to expenditure of monies, and differences pertaining to the role government should fill in coordinating developmental activities.

COMMUNITY CHANGES ATTRIBUTED TO SYSTEM DEVELOPMENT

Some community changes were easily attributable to river development such as one, the effect of large payrolls during construction which increased spending in river communities, two, new bridges, and three, improved water or sewer systems. How leaders view change or lack of change resulting from the project could affect their attitude toward future river improvement as well as utilization of the facility.

The most important change leaders noted was the increased industrialization and commercial investment in their area (21.6 percent). An additional 14.6 percent saw a combination of industrial development, increased recreation, more planning and political changes as major contributions of system development. The latter related to planning for population growth and the need for expanded governmental services. Almost 10 percent of the leaders mentioned new attempts at long-range planning.

A change which was particularly noteworthy, since it was mentioned by a small but important number of key economic leaders in most of the cities, was a psychological revitalization caused by the large Federal investment. The waterway convinced many that Arkansas/Oklahoma and the river valley in particular were on the brink of a new era of development. It increased industrial recruitment efforts and enabled them to review and emphasize community as an advantage in industrial recruitment. Psychological revitalization summarized the attitude that new economic investment by local and extralocal leaders would be sound economic policy. Changes of

Table 8 - 14

TYPE OF COMMUNITY IMPROVEMENT POLICIES SUPPORTED BY ARKANSAS RIVER COMMUNITY LEADERS, 1976

	Community Improvement Policies											
	Improvement of all areas related to industrial recruitment: water/sewer capacity, airport, etc.				Improvement of all areas related to industrial recruitment plus development of college an cultural attributes				Improvement of roads and other transportation			
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
OKLAHOMA	10	33.3	8	26.7	1	3.3	0	0.0	0	0.0	2	6.7
Tulsa	5	83.3	0	0.0	1	16.7	0	0.0	0	0.0	0	0.0
Sallisaw	13	56.5	2	8.7	2	8.7	1	4.4	0	0.0	1	4.4
Muskogee	28	47.5	10	17.0	4	6.8	1	1.7	2	3.4	1	1.6
Subtotal												
ARKANSAS	10	52.6	0	0.0	1	5.3	0	0.0	1	5.3	0	0.0
Fort Smith	1	16.6	1	16.7	1	16.7	0	0.0	0	0.0	0	0.0
Van Buren	6	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Ozark	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Morrilton	0	0.0	0	0.0	1	20.0	0	0.0	1	20.0	0	0.0
Dardanelle	7	63.6	0	0.0	1	9.1	0	0.0	0	0.0	1	9.1
Russellville	8	72.7	0	0.0	1	9.1	0	0.0	0	0.0	0	0.0
Conway	9	25.7	8	22.9	2	5.7	1	2.9	4	11.4	0	0.0
Little Rock	1	25.0	1	25.0	0	0.0	2	50.0	0	0.0	0	0.0
N. Little Rock	5	41.6	3	25.0	0	0.0	1	8.3	0	0.0	2	16.7
Pine Bluff	48	42.8	13	11.6	7	6.2	4	3.6	6	5.4	3	2.7
Subtotal	76	44.4	23	13.5	11	6.4	5	3.0	8	4.7	4	2.3
total												

LEADER IDENTIFICATION OF THE NATURE OF DIFFERENCES BETWEEN RESIDENTS IN ARKANSAS RIVER COMMUNITIES ON EFFORTS AT COMMUNITY IMPROVEMENT, 1976

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this type are not as easy to see or recognize as a new plant or a new park. They require the vision, understanding and perception of a key leader who has a historical perspective and an understanding of both the national and local economy.

A small number of leaders felt that the development of recreation facilities alone had been the major change, noting the increase in number of parks and the heavy use of the river for fishing and boating. Approximately 3 percent of the leaders, confined to Pine Bluff, North Little Rock and Little Rock saw a combination of changes: long range planning, better recreation and psychological revitalization (Table 8 - 16).

SOCIAL CHANGES ATTRIBUTABLE TO SYSTEM DEVELOPMENT

An attempt was made to differentiate between community changes of a political and economic nature and social changes. The former, discussed above, were easier to delineate; the latter, in an area which had suffered severe financial handicaps since the depression, could not be easily separated from economic. Thirty-one percent of leaders felt the major social change was the initiation of development in many areas. The importance of cultural developments to spur interest in the area saw the creation of art leagues, music and theatre programs.

The creation of new bridges opened up areas to cities where people had been previously isolated. Highway access from some of these areas to the interstate opened up new job opportunities and shopping previously denied. Isolation, whether rural or urban, limits the social development of every family member. The changes which occurred not only limited isolation but are opening up many of these areas for residential development or nonfarm homes (Tables 8 - 17).

Approximately a fourth of the leaders, 23 percent, when questioned on social change, reflected that the development of the system gave the community another dimension to market. Strictly speaking this was economic--an added attraction along with the interstate and the location of the states in terms of product distribution. It was a change mentioned by forty leaders and was always mentioned as a social rather than an economic change.

In some ways related to psychological revitalization yet distinctive in and of itself, was the belief by 20 percent of the leaders that a major social change was the development of a new esprit de corps toward change as a direct result of system construction. Leader after leader, particularly in Little Rock and Pine Bluff, and again usually top economic leaders, stated that in the past, river valley as well as many of the communities in the two states had been unreceptive to newcomers, and did not wish change. There was a willingness to "just survive" rather than prosper through economic growth which would encourage an "influx of people creating problems." Combined with another change--"awakened people to the larger world outside" (5.8 percent), system construction had brought large

NUMBER AND PERCENT OF MAJOR COMMUNITY CHANGES IN ARKANSAS RIVER COMMUNITIES THAT LEADERS ATTRIBUTED TO SYSTEM DEVELOPMENT, 1976

8 • 27

numbers of outsiders to the communities close to construction sites. Local workers labored side by side with engineers and workers from other cities and states. Friendships were made and changes in attitudes begun. Combined with better economic opportunities, newcomers brought new ideas and shared experiences and skills. Foreign and gourmet cooking classes, more specialized shops to meet new demands, added a new flavor to the "liveability" concept. Except in two of the communities, there appeared to be little resistance to change (Table 8 - 17).

ECONOMIC DEVELOPMENT AND LEADER ACTION

Community leader action for economic development took several forms ranging from planning and industrial recruitment (47.4 percent), the establishment of industrial parks with combinations of that with efforts to change community image and industrial development (11.1 percent) or combined with the development of country clubs, water and sewer investment and better schools (5.8 percent). Industrial park development was also combined with port development and civic center construction (5.2 percent) or with port construction alone (5.8 percent). Many of the smaller communities, such as Ozark, Conway and Van Buren, were attempting to do a number of things at one time. In order to move into a competitive position in industrial recruitment, attention had to be given and improvements made in areas that most of the larger cities had been active in for years.

Port development alone was mentioned by 6.4 percent of the leaders and included in three other combinations (Table 8 - 18).

Organizational Involvement

During the years when local leaders were exerting political pressure in Washington to secure the financial support necessary to construct the navigation system, organizational support in the form of telegrams, visits to the national capital, etc. was utilized. Chambers of Commerce were most important and skillful in assisting. A major question in the few years before and after the system was completed was whether any organization or organizational structure would evolve to assume responsibility for delineating use of the system and expansion of the industrial base.

Chambers of Commerce up and down the river were credited with economic expansion. Leaders, 26.9 percent, gave the Chamber almost exclusive credit and an additional 32.2 percent included the Chamber as one of an array of organizations (Table 8 - 19) active in economic expansion. Other groups prominent in development were the state and local industrial development commissions and groups. Some of the local industrial development groups were offshoots of the Chambers of Commerce. Much credit in Arkansas was given to the Arkansas Industrial Development Commission whose first director was Winthrop Rockefeller. In most of the communities, leadership duplication existed between the local industrial development groups and the Chambers of Commerce. When organizations are clustered (Figure 8 - 1) in groups around the Chamber of Commerce or state/local industrial development

Table 8 - 17

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY TYPE OF
SOCIAL CHANGE THEY FEEL THE DEVELOPMENT OF THE NAVIGATION SYSTEM BROUGHT TO THEIR COMMUNITY, 1976

SOURCE: CHANGE AND THE EFFECT OF THE INFLATION DOLLAR BROUGHT TO THEIR COMMUNITIES 1970														
Type of Social Change														
Initiated development in many areas	Gave community another dimension to market		Developed new enterprises toward change		Awakened people to larger world outside		Very little change		Other		NA/MR			
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
OKLAHOMA														
Tulsa	10	33.4	15	50.0	3	10.0	0	0.0	1	3.3	0	0.0	1	3.3
Sallisaw	3	50.0	0	0.0	3	50.0	0	0.0	0	0.0	0	0.0	0	0.0
Muskogee	10	43.4	8	34.8	2	8.7	0	0.0	2	8.7	1	4.4	0	0.0
Subtotal	23	39.0	23	39.0	8	13.5	0	0.0	3	5.1	1	1.7	1	1.7
ARKANSAS				36.										
Fort Smith	2	10.5	7	36.8	1	5.2	4	21.3	1	5.2	2	10.5	2	10.5
Van Buren	3	50.0	0	0.0	1	16.6	0	0.0	1	16.6	1	16.6	0	0.0
Czark	3	50.0	0	0.0	3	50.0	0	0.0	0	0.0	0	0.0	0	0.0
Morrilton	1	33.3	0	0.0	1	33.3	1	33.3	0	0.0	0	0.0	0	0.0
Cardanella	1	20.0	1	20.0	1	20.0	0	0.0	0	0.0	2	40.0	0	0.0
Russellville	6	54.6	2	18.2	0	0.0	0	0.0	0	0.0	2	18.1	1	9.0
Conway	1	9.1	2	18.2	2	18.2	1	9.1	0	0.0	5	45.4	0	0.0
Little Rock	8	22.9	4	11.4	11	31.4	4	11.4	1	2.9	4	11.4	3	8.6
N. Little Rock	2	50.0	0	0.0	0	0.0	0	0.0	0	0.0	2	50.0	0	0.0
Pine Bluff	3	25.0	1	8.3	6	50.0	0	0.0	0	0.0	1	8.3	1	8.3
Subtotal	30	26.8	17	15.2	26	23.2	10	8.9	3	2.7	19	17.0	7	6.2
total	53	31.0	40	23.4	34	19.9	10	5.8	6	3.5	20	11.7	8	4.7

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY THE TYPE OF ACTION THAT HAS BEEN TAKEN IN THEIR COMMUNITIES TO SPUR DEVELOPMENT, 1976

8.30

Table 8 - 19

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY THE ORGANIZATIONS THAT
LEADERS CONSIDERED MOST ACTIVE IN EXPANDING THEIR COMMUNITY'S ECONOMIC BASE, 1976

	Organizations Most Active in Economic Expansion							
	Chamber of Commerce No.		Chamber of Commerce, state industrial commission, local government, politicians No.		Chamber of Commerce local industrial development commission No.		Chamber of Commerce and local and and state development No.	
	No.	%	No.	%	No.	%	No.	%
OKLAHOMA								
Tulsa	15	50.0	0	0.0	2	6.7	1	3.3
Sallisaw	2	33.3	0	0.0	2	33.3	0	0.0
Muskogee	5	21.7	5	21.7	2	8.7	3	13.0
Subtotal	22	37.2	5	8.5	6	10.2	4	6.8
ARKANSAS								
Fort Smith	7	36.8	3	15.8	0	0.0	0	0.0
Van Buren	3	50.0	1	16.6	0	0.0	0	0.0
Ozark	0	0.0	2	33.3	0	0.0	0	0.0
Morrilton	0	0.0	1	33.3	0	0.0	1	33.3
Bardanville	3	60.0	0	0.0	0	0.0	1	20.0
Russellville	2	18.2	4	36.3	1	9.1	0	0.0
Conway	0	0.0	1	9.1	2	18.2	0	0.0
Little Rock	7	20.0	9	35.8	1	2.8	2	5.8
N. Little Rock	0	0.0	3	75.0	0	0.0	0	0.0
Pine Bluff	2	16.7	0	0.0	4	33.3	0	0.0
Subtotal	24	21.4	24	21.4	8	7.1	4	3.6
total	46	26.9	29	16.9	14	8.2	-8	4.7

Table 8 - 19 (cont'd.)

NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY THE ORGANIZATIONS THAT
LEADERS CONSIDERED MOST ACTIVE IN EXPANDING THEIR COMMUNITY'S ECONOMIC BASE, 1976

	Organization Most Active									
	state industrial development commission			local industrial development commission			state and local industrial development commission			NA/NR %
	No.	%		No.	%		No.	%		
OKLAHOMA										
Tulsa	1	3.3		3	10.0		1	3.3		
Sallisaw	1	16.7		0	0.0		0	0.0		5 16.7
Mustogee	0	0.0		1	4.4		1	4.4		1 16.7
Subtotal	2	3.4		4	6.8		2	3.4		6 26.1
ARKANSAS										12 20.3
Fort Smith	4	21.4		0	0.0		0	0.0		
Van Buren	3	33.3		0	0.0		0	0.0		3 15.8
Ozark	1	16.7		0	0.0		3	50.0		0 0.0
Morrilton	0	0.0		0	0.0		0	0.0		0 0.0
Gardnerville	0	0.0		0	0.0		0	0.0		0 0.0
Russellville	0	0.0		2	18.2		1	9.1		1 33.3
Conway	1	9.1		6	54.6		1	9.1		1 20.0
Little Rock	3	8.5		1	2.8		0	0.0		1 9.1
N. Little Rock	0	0.0		0	0.0		0	0.0		0 0.0
Nine Bluff	0	0.0		1	8.3		0	0.0		5 14.2
Subtotal	11	9.8		10	8.9		5	4.5		1 25.0
total	13	7.6		14	8.2		7	4.1		2 16.7
										10 8.9
										12 7.0
										28 16.4

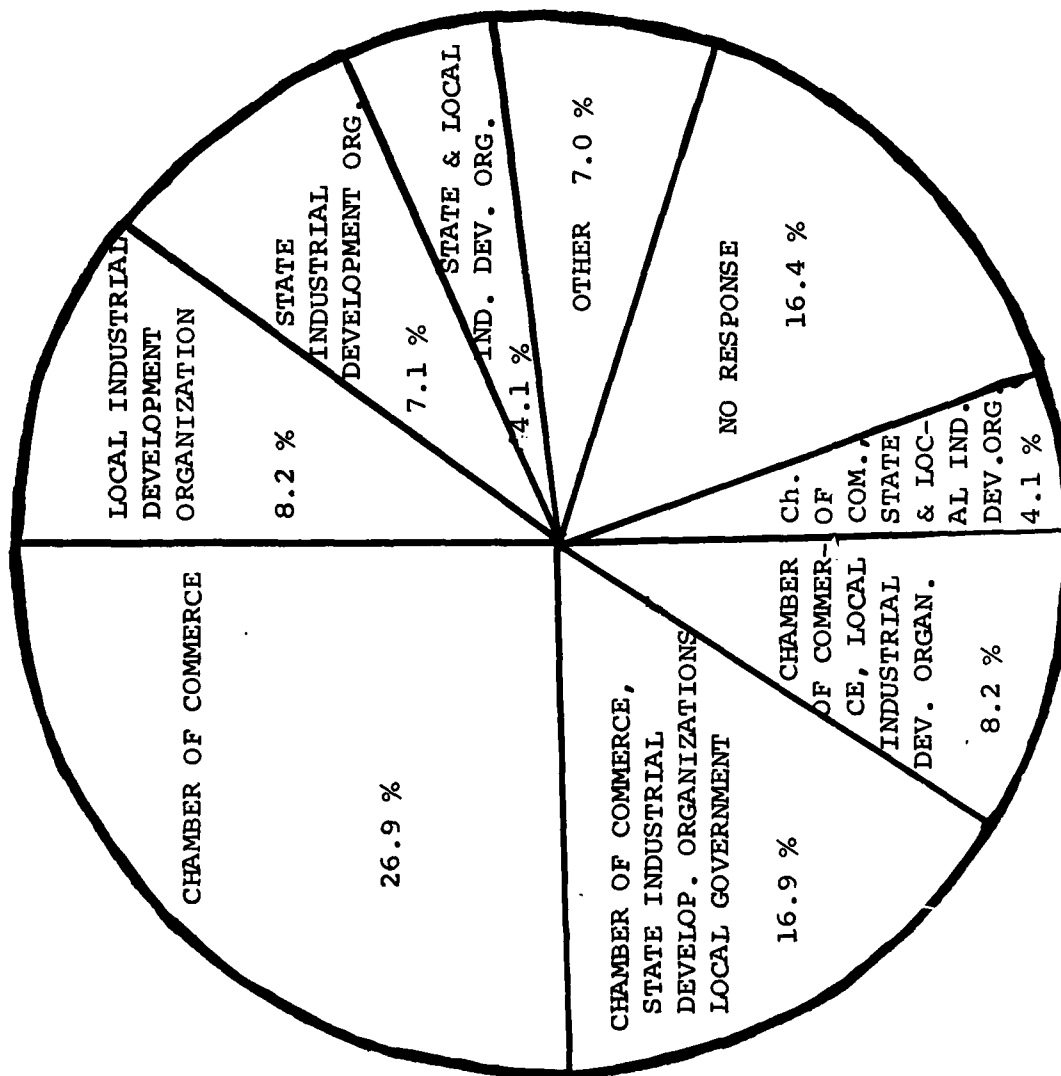


FIGURE 8-1 ORGANIZATION LEADERS IN ARKANSAS RIVER COMMUNITIES CONSIDERED TO BE THE MOST ACTIVE IN EXPANDING THEIR COMMUNITY'S USE OF THE RIVER

groups, it appears that Oklahoma communities were more frequently provided economic impetus by the Chambers. In both cases the percentage was over fifty. On the other hand Arkansas communities attributed organizational contribution to state and local industrial development groups, 23.2 in Arkansas compared to 13.6 in Oklahoma. This difference in developmental approach may be attributable to the difference in the structure and organization of the state groups in each state discussed in Chapter 5. Table 4 - 4 shows the close relationship between the Chamber and the development of industrial parks on and off the river. Ten of the thirteen communities studied had Chambers involved in industrial park development.

Obstacles to Industrial Development

Leaders identified five major obstacles to industrial development: limited resources in terms of available public and private monies for industrial recruitment efforts and for land acquisition; community image problems ranging from the historical school integration crisis in Little Rock to the hillbilly-Okie image in western Arkansas and eastern Oklahoma; competition between cities for industry either within the two state area or, in the cases of Little Rock and Tulsa, from other larger cities in the region; limitations of the community in terms of labor supply--skilled and unskilled access to railroads and highways, problems related to air accommodations for corporate jets, availability of cultural opportunities such as shopping concerts/art; and inadequate briefing on problems of river development, including use of the river, port development, and marketability of river (Table 8 - 20).

Some difference in response was noted between Arkansas and Oklahoma. In Oklahoma leaders mentioned competition between cities (10.2 percent), limited resources (8.5 percent), and inadequate briefing on problems of river development (6.8) as most important. Arkansas leaders mentioned limited resources (12.5 percent) as most important, community image (8.9 percent), and limitations of the community (8.0 percent). Little Rock and Muskogee were concerned with community image and limited resources for development. Chambers of Commerce, individual leaders, and state industrial development organizations noted the complexity of problems limiting development, particularly those of community fiscal, social and image deficiencies, and attempted to alter some of them through vigorous public relations campaigns. Statement after statement was recorded in community after community suggesting "if we can get them to come down and look we have a good chance of getting them!" A leader, attempting to reach the president of a northern corporation looking for a new site with no success and considerable stalling, mentioned the problem to Winthrop Rockefeller, who picked up the phone and had the president's ear within minutes of placing the call.

Some leaders in at least five communities mentioned the critical learning experience when companies would decide to come and be unable to buy the land that had been selected as desirable for plant placement. By 1976, all except three communities had purchased, publicly or privately, land for industrial placement (Table 4 - 4). With limited resources,

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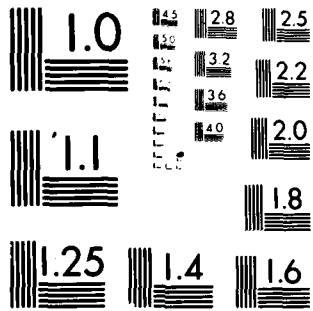
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NUMBER AND PERCENT OF LEADERS IN ARKANSAS RIVER COMMUNITIES BY THE OBSTACLES THEY PERCEIVED WHICH LIMITED INDUSTRIAL DEVELOPMENT, 1976

¹ e.g. Access to transportation networks, airstrips, cultural opportunities

particularly the problem in Arkansas of severe city fiscal restrictions (See Chapters 7 and 9) developing the community and cultural facilities required by the level of industry they hoped to recruit has been a long, painful process. One step at a time, often one project at a time, has been the course for the smaller, less experienced communities.

CONCLUSION

The leaders who assumed responsibility for system development and use were men, predominantly protestant, usually over 30 years of age, with a college degree, in key economic and/or managerial positions, and were long time residents of their communities with some contacts with other communities in an out of the state. They were members of many organizations but limited office holding to one or two organizations while holding board positions in prestigious economic and social institutions.

A major function of community leaders is to make policy or to prevent policy making. Arkansas River community leaders expressed more consensus on the existence of economic policy than on the crystallization of policies on waterway development and use, and on improvement of community facilities. Economic policies focused on "balanced growth" and "selectivity" in industrial recruitment with the major concern the attraction of clean industry which is as self-supporting in terms of governmental services as possible. In terms of river development leaders believed it is a slow process of long-term development. At least half of the policies related to community facilities embodied changes which would improve a community's ability to attract industry.

Leaders viewed system development as the catalyst from which a variety of economic and social changes occurred. The introduction of monies for construction altered local economies and moved leaders into a program of industrial/service/commercial recruitment. Changes in attitude, and efforts to alter poor images led to additional changes. Most of the efforts were spurred by economic organizations and the various Chambers of Commerce. Efforts at change were handicapped by limited resources and lack of technical and economic understanding of the marketability of the river.

NOTES TO CHAPTER 8

1 Sanderson, Dwight and Robert A. Polson, Rural Community Organization.
New York: John Wiley & Sons, Inc., 1939.

CHAPTER 9

THE IMPACT OF MUNICIPAL SERVICES AND RESOURCES ON RIVER COMMUNITY DEVELOPMENT

While there are many reasons for constructing public works projects, one often given is that such projects have a positive impact on community growth. Few have questioned this tenet and it is assumed that growth is in itself good and can only bring positive benefits to the community. Growth is good because it stimulates business development, which in turn, stimulates the local economy.

Little attention has been devoted to considering the impact that public works projects have upon municipal services. Even less attention has been devoted to a consideration of community resources to meet growth demands such as taxing ability, bonding capacity and general revenues. This section evaluates the extent to which the navigation system had an impact on city ability to meet growth needs which were stimulated by industrial development on the waterway itself.

Two generalizations can be made from these data. First, large cities have less trouble meeting demands than smaller cities. Second, Oklahoma cities have had less trouble meeting demands for services than Arkansas cities. This second generalization is due primarily to the fact that Arkansas cities have more limited taxing powers. Before going into impact on municipal services it is necessary to first examine the financial resources of cities.

FINANCIAL RESOURCES OF CITY GOVERNMENTS

In order for industrial development to take place it is not enough for cities to have good physical resources such as highways, rail services, adequate water supply and good locations for a port. Cities must also have the financial resources to provide the services necessary to both encourage development and supply services after development occurs. While cities in both Oklahoma and Arkansas have had difficulty meeting these financial requirements related to development, Arkansas cities have had the most difficulty. A comparison of the two states will analyze this difference.

Local Government Finances in Oklahoma

As indicated in Table 9 - 1, city government in Oklahoma generates about 83 percent of their total revenues from local sources. Of this 83 percent about 40 percent is from taxes, 15 percent from property and 20 percent from sales taxes. The other 43 percent of local revenues is generated from current and utility charges.

TABLE 9 - 1

PERCENT DISTRIBUTION OF GENERAL REVENUE OF OKLAHOMA AND ARKANSAS CITIES
COMPARED TO NATIONAL AVERAGES

REVENUE TYPE	ARKANSAS	OKLAHOMA	U.S. AVERAGE
INTERGOVERNMENTAL	27.6	16.1	32.9
Federal & Others	10.7	7.9	9.8
State	16.9	8.2	24.1
LOCAL REVENUE	72.4	83.9	67.1
Total Taxes	20.6	40.8	48.6
Property	10.7	14.9	31.2
Sales			
General	0.4	19.7	5.4
Selective	5.6	3.2	3.8
Motor Vehicle	0.0	00.0	0.3
Income	0.0	0.0	5.4
Others	3.9	2.9	2.5
Charges and Misc.			
General Revenues	51.8	43.1	18.4
Current Charges	20.4	30.2	11.1
Others	31.4	12.9	7.3
TOTAL	100.0	100.0	100.0

SOURCE: 1. U.S. Department of Commerce, Bureau of the Census, 1972 Census of Governments, Vol. 4, Government Finances, Number 4, Finances of Municipalities and Township Governments, U.S. Government Printing Office, Washington, D.C., 1974, p. 21.

There are few legal limits on local property taxes that are used for repayment of bonds. The primary limitation is on street or road bonds. The total debt limit of cities in street bonds may not exceed 10 percent of the assessed valuation of property. It is doubtful if a city would be able to issue many more than this amount since informal bond market rules would make the interest rate very high. Bond purchasers do not like to buy bonds when the total debt exceeds 7 percent of the assessed valuation of property.

Probably a more severe restriction on the issuance of street bonds is the state requirement that such bonds receive 60 percent voter approval. All other bonds need only a simple majority. Sixty percent voter approval on any issue is difficult to obtain and is often defined by the press as a landslide.

In other areas of capital expenditure such as water, sewage and public ports there are no limits except what the voters will approve. Thus Oklahoma cities are not limited by legal constraints in their ability to finance needed capital expenditures related to industrial growth.

In the area of operating revenues from property tax, Oklahoma cities are limited. Each county in Oklahoma may use no more than 10 mills per \$100.00 of valuation for operating expenses for both the county government and all city governments. A County Excise Board determines how many mills both the county and city may use for operational expenses. Normally cities get about 3 mills and counties get 7 mills.

Because of this limitation, Oklahoma cities have had to rely more upon sales tax (19.7 percent of all local revenues) and current and utility charges (43 percent of all local revenues) to finance the operation of local governments (See Table 9 - 1).

Comparing Oklahoma to the national average (See Table 9 - 1) the following generalizations are obvious: 1. Cities receive less support from the state government in intergovernmental revenues (8.2 percent of all revenues as compared to 24.1 national average). 2. Cities in Oklahoma generate slightly less revenues from local taxes than the national average (40.8 percent for Oklahoma compared to 48.6 percent nationwide). 3. Cities in Oklahoma rely much more upon current and utility charges than the national average (43.1 percent for Oklahoma compared with 18.4 percent nationwide).

Local Government Finances in Arkansas

As stated above, Arkansas cities are far more limited than Oklahoma cities. As is indicated in Table 9 - 1, local revenues constitute 72.4 percent of all revenues with 20.6 percent coming from taxes and 51.8 percent from current and utility charges. About half the local tax money is from property taxes and 5.6 percent from selected sales taxes. There is no city sales tax allowed in Arkansas except in two cities where, by local

referendum, a tax may be adopted (in both Fayetteville and Fort Smith). To date neither city has gained voter approval.

Arkansas has one of the most restrictive limitations on local property tax in the United States (See Table 9 - 2, 9 - 3). Cities are limited to no more than 5 mills for capital expenditures, 5 mills for operation, 5 mills for electrical and water plants, 2 mills for police and firemen pension fund, and 1 mill for library. The average city millage rate is 10 mills; or one cent per \$100.00 at 20 percent. This limitation places Arkansas 49th among the 50 states in the amount of local revenues generated from local property tax and 50th among states in local revenues generated by all local taxes.

Arkansas cities do receive some turnback property tax revenue from the state government; however, almost all local governmental officials interviewed felt that this turnback should be raised to 7 percent of all state revenues.

Comparing Arkansas to the national average, the following generalizations may be made (See Table 9 - 1). 1. Arkansas cities receive less support from state governments than the national average (16.9 percent for Arkansas and 24.1 percent nationwide). 2. Arkansas cities derive the smallest amount of local revenues from local taxes among the 50 states (20.6 percent for Arkansas compared with 48.6 percent nationwide). 3. Arkansas cities rely more heavily on current charges and utility revenues than any other state (51.8 percent in Arkansas compared with 18.4 percent nationwide).

Due to the severe limitation on the property tax in Arkansas, cities have found it difficult to meet the demands for services, especially for capital expenditures necessary for industrial expansion. Most Arkansas cities have found it necessary to issue Act 9 and Amendment 49 Industrial Revenue Bonds. These bonds are issued by the city (thus the interest is exempt from Federal income tax) but are repayed by revenues pledged by the industry which will use the capital improvements. During the amortization period, title of the property remains with the city. Without this provision many cities, especially Van Buren and Fort Smith, would have found it virtually impossible to pay for necessary improvements. Until recently these bonds required voter approval even though no tax money was involved. This has now been changed and voter approval is no longer required.

The only difficulty with the Act 9 and Amendment 49 bonds is that while they pay for the capital improvements needed to serve the industry proper, they do not provide money to pay for spin off demands for services which the industry may generate such as increased fire, police protection, streets in new residential areas, schools, etc.

Examples of specific problems and suggested improvements in revenue sources of Arkansas cities are as follows. John P. Gill, representing the Arkansas Municipal League before a committee of the General Assembly, recommended two major changes in the law. First, the legislature should

Table 9 - 2

SUMMARY OF CITY TAXES ON PROPERTY IN ARKANSAS

1. Five mills - general government operations
2. Five mills - retirement of bonds for capital improvements
3. Five mills - retirement of bonds issued for water and electrical plants
4. Five mills - industrial development in first class (population of 2,500 or more) cities located in counties of not less than 105,000 population
5. Two mills - firemen and policemen pension funds, one mill each
6. One mill - public library

Table 9 - 3

TOTAL PROPERTY TAX RATES IN CITIES AND COUNTIES IN THE STUDY IN 1975**

City and County	Tax Rate Per \$1,000 of Assessed Value*				Effective Tax Rate Per \$1,000 of Market Value Assessed at 20 percent
	County	City	School	Total	
Conway/Faulkner	\$9.00	\$10.00	\$56.00	\$75.00	\$15.00
Dardanelle/Yell	\$11.00	\$11.00	\$52.00	\$74.00	\$14.80
Fort Smith/Sebastian	\$11.75	\$9.00	\$53.00	\$73.75	\$14.75
Little Rock/Pulaski	\$8.00	\$14.85	\$55.00	\$77.85	\$15.57
North Little Rock/ Pulaski	\$8.00	\$12.00	\$55.00	\$75.00	\$15.00
Ozark/Franklin	\$9.00	\$19.00	\$40.00	\$68.00	\$13.60
Pine Bluff/Jefferson	\$12.00	\$12.00	\$57.00	\$81.00	\$16.20
Russellville/Pope	\$11.00	\$15.00	\$53.00	\$79.00	\$15.80
Van Buren/Crawford	\$13.50	\$10.00	\$56.00	\$79.50	\$15.90

*Tax rates in these columns can be converted to mills per \$1.00 by removing the dollar sign.

**Source for table. Industrial Research and Extension Center, College of Business Administration, University of Arkansas, Little Rock, A Summary of Taxes in Arkansas (Revised, 1975) June, 1975, p. 13, 14, & 15.

allow the cities to levy a city sales tax if approved by local option election. At the present time only Fayetteville and Fort Smith can levy this tax and voters have defeated it in both cities. Second, Gill recommended that the cities be allowed to levy an income tax without voter approval. At present voter approval is required but no city has placed this issue before the voters.⁵ Gill also went on to say that the 5 mill property tax is almost worthless unless the city owns oil. He also pointed out that the property tax provided about 14 percent of the cities revenue while the cities spent 19 percent on fire protection and larger cities' spent another 23 percent on police protection. Both functions, he said, have to do with protection of property but the property does not pay for its own protection. Many cities in Arkansas, according to Gill, have to resort to such schemes as speed traps to help finance government. Many small cities get 16.4 percent of⁴ their revenues from fines while large cities receive about 10 percent.

Mayor Neil Stallings of Jonesboro, president of the Municipal League, has pointed to the heavy reliance of cities on Federal revenue sharing and to possible problems if these funds are cut off. Revenue sharing, he said, was intended for capital expenditures but in Jonesboro the city has had to use the funds for operation.⁵

An official of Van Buren pointed more directly to the problems of industrial development and limited city revenues pointing out that Van Buren spent about \$250,000 more for fire protection alone because of 10 new industrial plants. He said that while the plants are nice for people and provide jobs they "don't benefit city government and in fact are a detriment because they require considerable more expenditure by the city than the city gets back from property and franchise taxes."⁶

The official said that the only solution was for the state to increase the state sales tax and turn this amount back to the cities. Recommending this approach, he said that residents of Arkansas cities would not approve by vote an increase in the sales tax.

Comments by Carleton E. McMullin, Little Rock City Manager, also emphasized the financial problems of cities. McMullin contended that the debt limits of Arkansas cities are unrealistic given the number of services that cities must provide. McMullin suggested several alternatives which could improve the city's revenue picture: elimination of debt⁷ limits, and use of sales tax, income tax, earnings tax and automobile tax.

Comments by Ron Copelan, director of the state Department of Local Services, indicate the need for more local revenues for Arkansas cities. Copeland pointed out that local government in Arkansas is "no frills." "Of the 585 communities in the state, 347 do not have sewer systems....Most counties can surface only 15 to 20 miles of their 1,000 or so miles of roads each year, only 13 counties have solid waste collection programs and good storm drainage facilities are not existent throughout the state...."⁸ Going on Copeland said "Cities face major environmental and health problems because of lack of good water treatment, sewage disposal and solid waste disposal systems...."

Editorials in the Arkansas Gazette in November and December of 1975 and January of 1976 take issue with some of the above statements, particularly that cities do not have the needed revenues to meet services.⁹ Several editorials take the position that the Little Rock city government has not been aggressive enough in applying presently available revenues and wants the legislature to take the blame for new taxes. Examples of revenues not used or put to a vote of the people include the \$5.00 per auto per year tax and an income tax. Additionally these editorials suggest that in Little Rock the city government continues to allow much of the 1 percent hotel/motel and meals tax to be placed in a fund to "build a multi-million dollar super hall for convention sales shows, while the local bus service is in critical financial condition."¹⁰ Other editorials in the Gazette also make the point that the hotel/motel and meals tax should not be used for such a super hall so long as other more vital services are in need of money.

This controversy over state-raised funds returned to the cities versus locally-raised funds has continued with county and school officials opposing a guaranteed state tax being turned over or earmarked each year for cities. On August 4, 1976, former Arkansas House Speaker Marion H. Crank of Forman spoke for the county officials and asked that any one cent sales tax earmarked for local governments should be divided between cities and counties. Local school officials have also objected to any program where state raised taxes are earmarked for cities and counties. While the cities could benefit from a locally-raised sales tax, counties and school districts would not have this ability and thus oppose the state taxing and returning money to the cities. Governor Pryor is also opposed to any state tax earmarked for a specific function.¹²

According to the Arkansas Gazette, State Representative Lloyd George of Danville expresses a similar point of view. George said that he did not see any difference between asking the state to collect tax and return it to the cities and asking the Federal government to collect tax and return it to state and local governments.¹³

The Economic Development Study Commission, created by the 1975 General Assembly to recommend growth policy for Arkansas through 1985 will soon make a number of recommendations on local finance which seem likely to have both legislative and gubernatorial support. They are as follows:¹⁴

1. Create special tax districts by vote of people to provide specific services and limit them to 10 mills taxes.
2. Allow cities and counties 10 mills for general operation with anything above five mills to be submitted to vote of people.
3. Change maximum county road tax millage from 3 to 5 mills.

4. Remove millage limitation for capital improvements, subject only to voter approval.
5. Allow excess revenues for outstanding bonds to be pledged for additional bonds for other purposes if approved by voters rather than having to return this revenue to the voters as is now the case.
6. Eliminate the present 6 percent interest rate on Amendment 49 Industrial Bonds.

Thus, it can be said that Arkansas cities have found it difficult to cope with the financial demands being placed on them by industrial growth. Additionally, there is little general agreement on the best way to gain more revenues for cities. There is little doubt that the limited property tax cannot cope with the growth of the city. The basic questions are: which tax revenue will provide cities with the revenue they need, and which level of government should raise these revenues?

With financial information as a background, let us consider the ability of each city to meet demands on municipal services which were generated by the waterway itself or by industrial growth.

OKLAHOMA CITIES

Of the Oklahoma cities in the study, Tulsa has experienced the least difficulty in meeting demands on municipal services. This is due to several factors. First, its size and tax base make it easier to generate the capital necessary to meet demands. The city, with the help of Rogers County, was able to generate the capital necessary to construct a large, well-planned port. Recently the port authority has had to request additional capital funds from the city to construct facilities at the port to handle grain.¹⁵ There is also a need for additional capital to construct larger loading facilities. The general feeling of some of the people in city government is that the city has put enough into the port and now it must begin to stand on its own. Such attitudes indicate that even in Tulsa there is limited capital available to meet direct port demands.

In terms of other areas of municipal services in Tulsa, it becomes more difficult to determine direct impact because of the sheer size of the metro area and economic development unrelated to the port. The direct impact of the port tends to become obscured by other growth factors.

In Muskogee, Oklahoma, both the demand of the city for port facilities and the impact on municipal services is somewhat easier to analyze. Like Tulsa, Muskogee also voted bonds for the initial construction of the port and sewage facilities to serve the port. The sewer line cost \$487,000, and was paid for by a loan from EDA.¹⁶ The sewer line has caused considerable controversy in Muskogee for several years. While the line was built primarily to serve the port, it is connected to the city sewer system and therefore owned by the city. The port presently uses only a very small

part of the capacity of the line. The city has hooked up other nonport related industry and residential areas to the line. Some local leaders feel the port is paying for a sewer line that is being used by other segments of the city. This is especially upsetting to some since the only income from the port is the \$3,000 per month received from Willbros, of which \$1,800 goes to pay for the sewer line.

Some present and past port authority members in Muskogee feel that the city government, not the port authority, should pay for the sewer line. In addition, they feel that the city has not put enough money into the port and that additional city funds are needed for port development.

A former mayor of Muskogee was concerned about the city continuously having to fund development of the port. His position is that the city has provided seed money to the port and that the port should be able to stand on its own feet without continued aid from the city.

In Muskogee, the general position seems to be that one group thinks the city has spent enough on the port and it should be able to "make a go of it" without the city having to carry the operation. Another group seems to think that the port is being forced to carry a sewer line that is little used by the port but takes over half its monthly income. This has led to a chicken/egg argument. The port factions seems to believe that if the city did more the port would develop more; the neutral port faction seems to think that the city has done enough to encourage and help port development and has not seen enough pay off to date. They see little benefit in continued expenditure of funds for port facilities, feeling that city resources must be spent to meet other needs.

In terms of impact on other municipal services in Muskogee which can be attributed directly to port or port related industry, only one service is evident. With the construction of the Fort Howard paper plant, the city will have to build a 24 inch water line and supply some six million gallons of water per month. Fort Howard is the first major industry to locate in the port and the only case where this kind of direct impact on municipal services can be demonstrated.

The third Oklahoma city in the study is Sallisaw, where little impact on municipal services can be attributed directly to the navigation system. The city has experienced some growth related to recreation and the use of nearby lakes. To date no industrial development has occurred which can be attributed to river barge traffic.

One reason why no public port facilities have been constructed in Sallisaw is because the city does not wish to commit city resources to the construction. A city official pointed out that if you are a city the size of Tulsa you can afford to commit the resources to build a port. In Sallisaw it is hard to justify spending \$2,000,000 on the basis of speculation alone. Another city official made basically the same observation. He pointed out that with the establishment of Holly Carburetor Company the city had to spend \$60,000 in electrical connections. This, he stated, was a very large item in a city budget of only a million

dollars. He indicated that the city cannot afford to make large capital outlays with no return if the industry goes broke or does not locate in Sallisaw at a port. The city, he believed, should not make capital outlays unless there is a definite commitment from industry to locate and stay in the community.

The first official mentioned above also pointed out that the city presently has a good bond rating. If the city spent the money to develop a port it would probably hurt its bond rating for some years to come.

In conclusion, in Sallisaw, the general attitude among community leaders seems to be that they would like port development to occur but that the city does not have the financial resources to begin to speculate on the future. If the Corps of Engineers is willing to dredge a channel for the port to a point where rail, roads, sewer and water services can be provided without great expense to the city, then the city will go along with a small bond issue. However, no city official interviewed seemed interested in using resources needed to provide basic municipal services and devoting these to expensive and speculative port development. At the present time, Sallisaw does a good job of providing basic services such as police, fire, streets, etc. If the city must spend large amounts of its resources on port development, these basic services might decline in quality.

In addition to these attitudes expressed toward direct city involvement in port development both officials of Sallisaw expressed concern over the city being able to control growth. Both expressed concern that growth is both good and bad. The city does not want to grow so fast that it cannot adequately serve the new development. Both talked about controlled growth, environmental concerns and preserving the quality of life in their area. Both expressed the belief that recreation and environmental quality were the biggest asset of Eastern Oklahoma and if these are destroyed by uncontrolled growth the greatest assets of the area will be lost.

ARKANSAS CITIES

Arkansas cities have had a difficult time meeting demands placed upon them due to industrial growth primarily because the cities have such limited financial resources under state law. As previously discussed, Arkansas cities have no sales tax and their property tax for operation is very limited. Most income must be raised from revenue generated from the sale of services--water, sewage, fees and licenses. This limitation makes it difficult for cities to raise the revenues needed for port and industrial development.

Fort Smith has experienced considerable industrial growth in the past ten years, some of which can be attributed to the port and related activities. The present port facilities in Fort Smith did not tax the city's revenues to any great extent because the facility was built on land owned by the city and few improvements requiring city money were made. However, the city is presently finding it difficult to meet the demands

placed on the city due to growth. An attempt by the city to expand its income by initiating a sales tax was defeated by a vote of 9,804 to 6,347 in the spring of 1976. Money from this sales tax would have permitted the city to improve streets, fire protection and sewer service.

In Fort Smith, the actual construction of the river system had a direct impact upon city services. When the river level was raised to provide the needed depth for navigation, a kind of quicksand below the city was created which caused the sewer system in the older part of the city to float and break apart. The city had to replace these sewer lines. In addition, Fort Smith, like many other Arkansas cities, had to improve sewage discharges by going to secondary treatment and separating storm and sanitary sewers. Total costs of these improvements to the city were about \$20,000,000.

A second direct impact of the waterway construction was to increase flooding in many parts of the city. When the river level was raised, water backed into the city's creeks, and occasionally flooded during heavy rains. While these added to the interest of some nice residential areas, during heavy rains flooding can occur. According to a former city official in Fort Smith flooding in October and April of 1975 was equal to the 1943 record flood in many of these creeks. This has caused the city to close one public housing project.

Thus, in Fort Smith the river system has had two major impacts. First, the actual construction of the system hastened major improvements in the sewage system and created a flooding problem on some creeks in the city. Second, some of the industrial growth of Fort Smith is due to river development and this growth has forced the city to improve and expand municipal services with limited revenues.

In some cases, industries in Fort Smith have had to rely on Act 9 Industrial bonds to provide some of these services. The city neither encourages or discourages the use of these bonds. This decision is normally made by the industry. If an industry uses these bonds they must make a contribution in lieu of taxes.

Van Buren, Arkansas, the sister city across the river from Fort Smith has experienced much growth. To what degree this growth can be directly attributed to the waterway is unknown. Rail service and the location of an interstate highway may be as important as the river system.¹⁷

Van Buren has been able to provide services related to this industrial growth by issuing Act 9 or Amendment 49 Industrial Revenue Bonds and because of the aggressive efforts of the mayor in getting Federal grants without these two revenue sources Van Buren would be hard pressed to meet the city services related to industrial growth.

Russellville and Dardanelle, Arkansas, have both experienced some growth and development which can be attributed to the river system. The privately owned Keenan's Port in Dardanelle, while primarily used for grain shipments, does handle some steel, sand and other items. Most of the

industrial growth had occurred in Russellville. This city has experienced the same financial problem as other Arkansas cities in meeting service demands due to industrial growth. The experience in Dardanelle has been somewhat different. Little industrial growth has occurred but the city population has increased greatly since the river system was opened. Much of this growth in population is due to the bedroom status of Dardanelle. Some people work in Russellville and live in Dardanelle. Thus, the tax base increases attributed to industrial growth are located in Russellville. Since residential property normally uses more services than it generates in tax revenue, Dardanelle has experienced a growth in demand without a corresponding increase in revenues. This is a typical problem of tax base versus demand for services which was the major contention in the school property tax court cases.¹⁸ Efforts have been made to allow Dardanelle and other towns in the area to share in the revenues generated from property tax on industries in Russellville. specifically Nuclear 1. Revenue from the latter has elevated the Russellville school district to one of the wealthiest in the state.

In Dardanelle, a city official indicated that the city has a number of applications for building permits which it cannot honor because it cannot supply water and sewer services to these new areas. He pointed out that the city could have a lot more development and growth but cannot meet needs for water and sewer service. An official also expressed concern over the costly prospects of the city having to go to secondary treatment. The city is also going to have to upgrade its water system to provide adequate fire protection. Russellville's sewage system had to be replaced and was paid for by the Corps of Engineers. Its capacity was expanded from 1.59 mgd to 8.28 mgd and secondary treatment was added. Thus, Dardanelle has experienced more difficulty in meeting the demands placed on city services due primarily to low tax revenue base, than is true in Russellville.

Conway, Arkansas, has not experienced the same difficulties meeting demands for city services caused by industrial growth due primarily to the existence of the Conway Corporation. This organization has provided Conway with enough financial resources to meet these demands. Many years ago the city created the Conway Corporation which purchased the city utilities. This organization is governed by a board of directors and is to some degree free of political pressures. Revenues generated by the sale of utilities are used for local community-wide projects. Thus in Conway the city has had a revenue source not available to many other Arkansas cities. This revenue source has enabled the community to encourage industrial development to a greater degree than other cities.

One direct impact of the waterway on the city of Conway, which is not unlike that in Fort Smith, is that the construction of the waterway has ruined the city's water supply and sewage system. Congress has appropriated the money to construct a new source of water supply so this had not created a burden on the local community. Improvements in the sewage pumping equipment were made, but capacity was not changed.

According to city officials interviewed in Pine Bluff, Arkansas, the city has had little difficulty meeting demands place on the city due to

industrial growth. City officials point with pride to a new civic center designed by a nationally known architect and a new convention center as evidence of this ability to meet local service demands. These officials also point to a very fine port facility which they indicate is the best on the entire river system as further evidence.

The Pine Bluff Convention Center was not constructed without considerable controversy in the city. Raising construction costs and inflation caused the original budget of \$4.3 million to be increased to \$7 million. Originally a budget of \$1.8 million in bonds and a \$2.3 million EDA grant were supposed to cover costs but additional appropriations of \$965,000 in city revenue sharing, \$389,000 in county funds, and a \$528,000 grant from the Ozarks Regional Commission had to be made.¹⁹

Critics of the Civic Center state that the city could find better ways of spending the funds for such projects as sewer improvement, park expansion and other projects. The hiring of a director for the Center three years before the opening of the facility also caused some controversy and problems among city employees. Several critics pointed out that paying a director \$17,500 per year when rookie policemen have to rely on food stamps to feed their families seems to indicate misplaced priority. Proponents point out that a director must be hired several years in advance to ensure that the facility is utilized when completed.²⁰

Others have been critical of the Center's \$750,000 operating budget for 1976 since the funds have to come from revenue sharing. The Center's director had originally asked for \$1,095,000 but the council trimmed it to the latter figure. Proponents state that the Center should be at a break-even point in five or six years and suggest that 30,000 tourists per year in Pine Bluff will add \$1 million to the city's economy.²¹

The exact benefit Pine Bluff will derive from the convention center remains to be seen. However, the controversy surrounding the Center indicates that there are some people in the community that do not feel the city is spending its funds on essential services and that these services are below standard.

In addition, the city sewage plant does not have secondary treatment capability and city officials do not seem to think that this will be required in the future. Some improvements to the sewage system similar to those in Fort Smith were necessary after river system construction.

In conclusion, city officials in Pine Bluff do not indicate that development had caused any problems. Unlike city officials in most other Arkansas cities, city officials in Pine Bluff did not indicate any concern over the low tax rate structure.

Little Rock and North Little Rock are much like Tulsa, since because of the sheer size of the metroarea, the cities have been able to meet the demands on municipal services with much greater ease than smaller cities but not without some problems. In terms of demands generated directly by the waterway itself, the cities had to improve sewage systems as well as

provide funds for the construction of a port; selling of bond issues to finance these projects was not easy since the election had to occur before the opening of the system. It is not easy to sell bonds for a port on a system that is not yet constructed.

In terms of demands on municipal services created by industrial growth, it is difficult to assess how much growth is due directly to the river system and how much is indirect or unrelated to the river system. However, Little Rock and North Little Rock have had some difficulty meeting demands due to growth. The cities face the same financial difficulty as other Arkansas cities. New growth or redevelopment within the cities often has to be accomplished by the use of special district governments or new taxing authorities to provide streets, sewage, water etc.²²

Specific examples of the problems in Little Rock were emphasized during the budgetary process of 1975. During the last few months of 1975, Little Rock faced a need for additional revenues for the comparatively low \$19,000,000 budget. Quite a number of needed improvements and revenue sources were suggested by the city staff, Board of Directors, and citizens.

A city official pointed out that over \$90,000,000 worth of capital improvements to the city were needed and that revenues would allow only between 12 and 15 million dollars of improvements unless the tax limit of 5 mills was raised. One scheme suggested for increasing revenues to pay off bonds was for the city to sell about \$8.8 million in new Water Works bonds and purchase a similar amount of U.S. Government bonds. Since U.S. Government bonds paid about 7 percent and the current outstanding bonds on the Water Department pay only from 3.5 percent to 4.25 percent interest, the city could derive about \$1 million in profit over the life of the bonds. While this proposal was defeated by the city council, it demonstrates the financial problems of Little Rock in meeting capital needs of the water department.

In addition to the problem of revenue to meet capital needs, Little Rock has had problems attempting to annex some 55 square miles of land which contains much of the city's growth over the last 10 years. Little Rock is faced with the problem of providing services to these residents without any area contribution to the tax base. Voters in Little Rock and the 55 square miles of unincorporated land have opted for annexation on more than one occasion but the land remained outside the city due to court action as late as September, 1976. As an additional indicator of the ability of local government to meet financial obligations, a summary of the city and county assessed valuations and how they have changed in recent years is found in Table 9-4.

CONCLUSIONS

In general, cities in both Oklahoma and Arkansas have had some difficulty meeting demands on municipal services which related directly to the development of the waterway and as a result of industrial development after the waterway was opened. Many cities have had to make improvements to their sewage systems at an earlier date than would have been necessary.

Table 9 - 4

ASSESSED EVALUATION FOR RIVER COMMUNITIES BY DATE

ASSESSED VALUATION FOR RIVER COMMUNITIES BY DATE								
	1963		1970		1974		1975	
	Assessed	Valuation	Assessed	Valuation	Assessed	Valuation	Assessed	Valuation
	Dollar		Dollar	% Change	Dollar	% Change	Dollar	% Change
				1963-1970		1970-1974		1974-1975
Conway County	9,066,214		25,301,347	+179.1	19,167,131	-24.2		
Morrilton	4,219,050		5,779,772	+ 37.0	7,262,712	+25.7		
Crawford County	12,798,967		18,942,640	+48.0	26,336,570	+39.0	29,739,190	+12.9
Mulberry	1,063,580		859,925	-19.1	1,077,900	+25.3	1,196,775	+11.0
Faulkner County	15,822,260		22,058,145	+39.4	41,953,670	+90.1	44,913,810	+7.1
Conway	7,838,505		10,906,800	+39.1	19,663,815	+80.3	20,819,835	+5.9
Jefferson County			105,839,595		128,552,446	+21.1	139,937,701	+8.9
Pine Bluff			62,631,960		75,816,941	+21.1	81,422,406	+7.4
Pope County	13,552,142		27,472,889	+102.7	91,755,727	+234.0	118,893,020	+29.6
Russelville	8,732,128		12,413,225	+42.2	15,547,516	+25.2	15,485,029	+0.4
Pulaski County			376,194,276		559,019,468	+48.6	625,031,260	+11.8
Little Rock			196,695,751		311,387,445	+58.3	348,133,860	+11.8
N. Little Rock			73,877,693		102,050,315	+38.1	113,105,848	+10.8
Sebastian County	77,486,685		100,501,475	+29.7	137,025,025	+36.3		
Fort Smith	67,326,240		84,282,660	+25.2	114,836,870	+36.3		
Van Buren	7,068,425		6,408,630	-9.3				

Table 9 - 4 (cont.)

	1958 Assessed Valuation Dollar	1964		1969		1973	
		Assessed Valuation Dollar	% Change 1958-1964	Assessed Valuation Dollar	% Change 1964-1969	Assessed Valuation Dollar	% Change 1969-1973
Muskogee County Muskogee	61,368,958 32,350,575	68,943,866 36,512,616	+12.3 +12.9	77,268,034 40,153,615	+10.8 +10.0	89,864,830 50,373,055	+14.5 +25.1
Rogers County Claremore Catoosa	20,457,576 4,507,000 217,624	36,858,238 5,433,065 350,048	+80.2 +20.5 +60.8	43,399,331 8,252,332 512,619	+17.7 +34.2 +46.4	59,136,203 10,473,063 1,190,461	+36.3 +26.9 +13.2
Sequoyah County Sallisaw	9,584,741 1,534,302	12,123,838 2,072,504	+26.5 +35.1	14,227,746	+17.4	18,819,478 3,451,392	+32.3
Tulsa County Tulsa	458,629,079 327,791,514	562,591,232 411,628,186	+22.7 +25.6	724,879,031 594,614,293	+28.8 +44.5	777,136,764	+30.7

Additional improvements will have to be made in the future in some cities most notably in Pine Bluff and Dardanelle where secondary treatment has not yet been installed. Improvements in water systems and construction of actual port facilities are additional examples of demands due to waterway construction itself.

In terms of demands on municipal services due to industrial growth, Arkansas cities seem to have had greater difficulty than Oklahoma cities in meeting this demand. This is due primarily to the more limited financial capabilities of Arkansas cities. Monies for capital expansion of utility services in Arkansas have had to come primarily from Amendment 49 and Act 9 Industrial Bonds which are repaid from revenues provided by the industry served by the utility expansions.

One generalization which seems valid is that while the construction of the waterway has brought industrial growth to both Arkansas and Oklahoma, the legal and financial powers of cities in these states, and especially in Arkansas, have made it difficult for local governmental bodies to meet the demands placed on municipal services. The construction of public works projects should consider not only the "economic benefits" expected but also areas impacted to respond to and meet the demands for economic growth. The rate of economic growth seems directly related to the abilities of local governments to respond and provide needed services.

NOTES TO CHAPTER 9

1 U.S. Department of Commerce, Bureau of the Census, 1972 Census of Governments, Vol.4, Government Finances, Number 4, Finances of Municipalities and Township Government. Washington, DC: U.S.Government Printing Office, 1974, p. 21.

2 The question of an increase in state turnback revenues to cities was an issue in the recent state governors race with Jim Wright, an unsuccessful challenger to Governor Pryor, supporting the 7 percent proposition.

3 Smith, Doug, Arkansas Gazette, December 31, 1975, p.18.

4 IBID.

5 IBID.

6 IBID.

7 Arkansas Gazette, November 29, 1975, p.20B.

8 Dumas, Ernest, Arkansas Gazette, August 5, 1965, pp.1. 2.

9 Arkansas Gazette, November 28, 1975, p. 6A; December 18. 1975, p 6A; January 28. 1976, p. 6A; and January 4, 1976, p. 2E.

10 Arkansas Gazette, January 4, 1976. p. 2E.

11 Arkansas Gazette, November 28, 1975, p. 6A; December 18. 1975, p. 6A; and January 28. 1976, p. 6A.

12 Arkansas Gazette, August 5. 1976, pp. 1, 2.

13 Griffiee, Carol, Arkansas Gazette, August 5. 1976. pp.1. 5.

14 IBID.

15 The City of Tulsa, in 1974, gave \$300,000 in Revenue Sharing Funds to help build grain facilities at the Tulsa Port of Catoosa.

16 EDA has made the following grants or loans to the Port Authority. Dock and industrial park, \$1,025,000, 1966. (2) Industrial park, \$111,000, 1968. (3) Sewer line, \$487,000, 1968. (4) Industrial park, \$56,000, 1969. (5) Industrial park, \$666,000, 1969. In addition, EDA made loans or grants to the Greater Muskogee Development Corporation as follows: (1) Industrial park, \$541,000, 1973. (2) Marine Services Feasibility Study. \$3,000, 1975. In addition, the Port Authority has received \$40,000 from Ozark Regional Commission and \$100,000 from FHA for a port rail spur. Thus, federal aid to the Muskogee port to date totals \$3,029,000.

17 It should be pointed out again that the influence of the waterway in forcing rail freight rates down may be an important indirect influence of the waterway.

18 Rodriquez V. San Antonio Independent School District, United States District Court, Western District of Texas, San Antonio Division, October 1, 1971. See Affidavit submitted by Joel Berk in behalf of plaintiff, p. 13.

19 Arkansas Gazette, December 14, 1975, p. 24A.

20 IBID.

21 IBID.

22 These districts are called Suburban and consolidated Improvement Districts.

CHAPTER 10

PLANNING AND ECONOMIC DEVELOPMENT ORGANIZATION IN ARKANSAS AND OKLAHOMA

INTRODUCTION

The degree to which local communities attempt to plan for future economic growth and development can be very critical. Uncontrolled growth was not widely accepted by most local leaders in the communities studied. Almost all of the local leaders interviewed indicated that there was: a need to control growth, a need for some type of planning for the future to ensure that development was orderly, and a need to ensure that community and river resources were not used unwisely. However, there was not universal agreement among local leaders on the type or level of organization--local, regional, state or interstate--which should undertake these functions.

This section examines the organization, projects, activities and functions of the various government agencies that have been involved in planning and economic development activities in Arkansas and Oklahoma river communities. Efforts at creating interstate organizations for overall planning and coordinations of development of the river system are also examined. In addition, the activities of state industrial development agencies are examined.

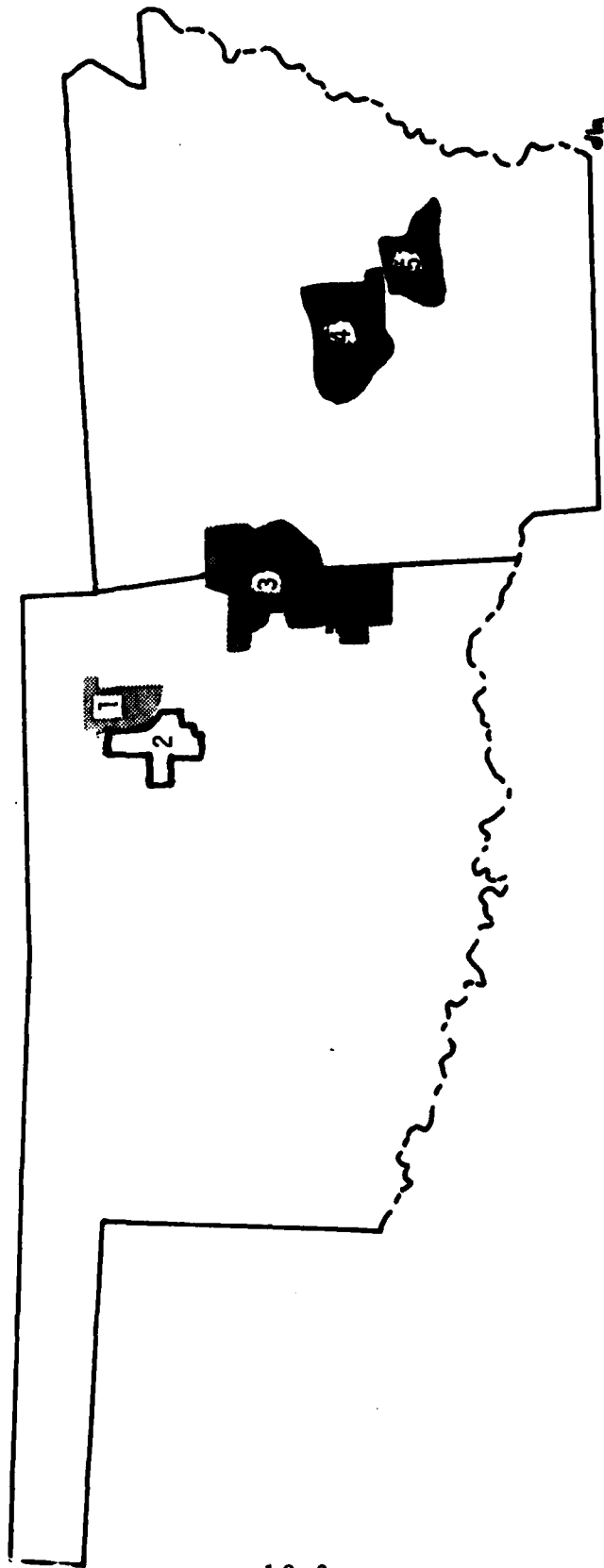
Both Arkansas and Oklahoma have created local or regional agencies with responsibility for planning and economic development. In Arkansas two types of organizations exist, Economic Development Districts and Regional Planning Commissions (RPC). Some Economic Development Districts were later renamed Planning and Development Districts (PDD). Oklahoma used similar types of organizations with similar functions. They are City/County Planning Commissions, Councils of Governments and Economic Development Districts. The boundaries for each of the planning and economic development districts included in this study are displayed in Figures 10 - 1, 10 - 2, and 10 - 3.

GOVERNMENT STRUCTURE IN ARKANSAS

Governmental organization of regional planning and economic development agencies in Arkansas is complicated to say the least. While

Figure 10 - 1

Regional Planning Agencies Included in the McClellan-Kerr River Project Study, 1976



10-2

Legend

1 Rogers County Metropolitan Area Planning Commission

3 Arkhoma Regional Planning Commission

5 Southeastern Arkansas Regional Planning Commission

2 Tulsa Metropolitan Area Planning Commission

4 Metroplan

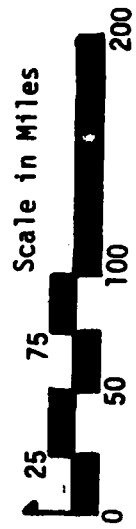


Figure 10 - 2
 Economic Development Districts Included in the McClellan-Kerr River Project Study, 1976
 (see text for acronym explanations)

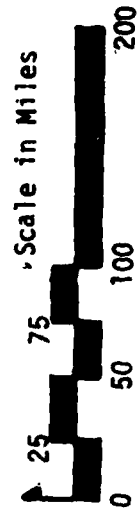
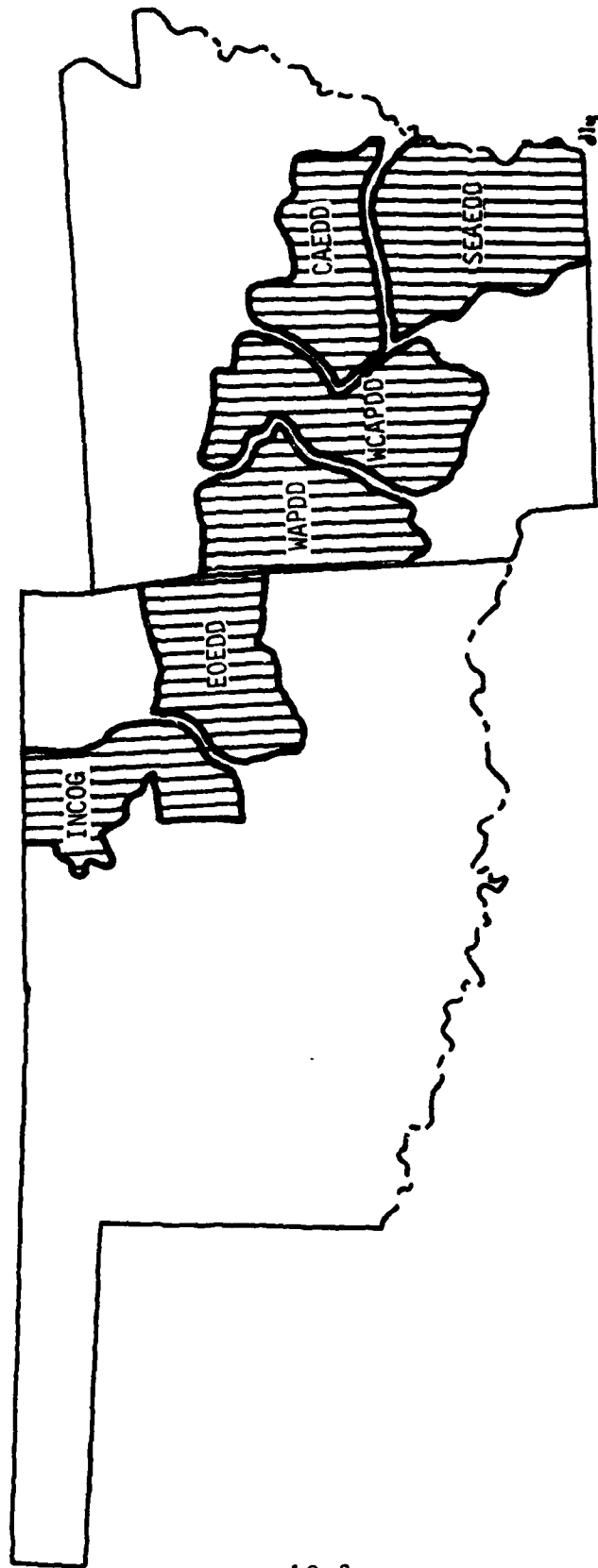
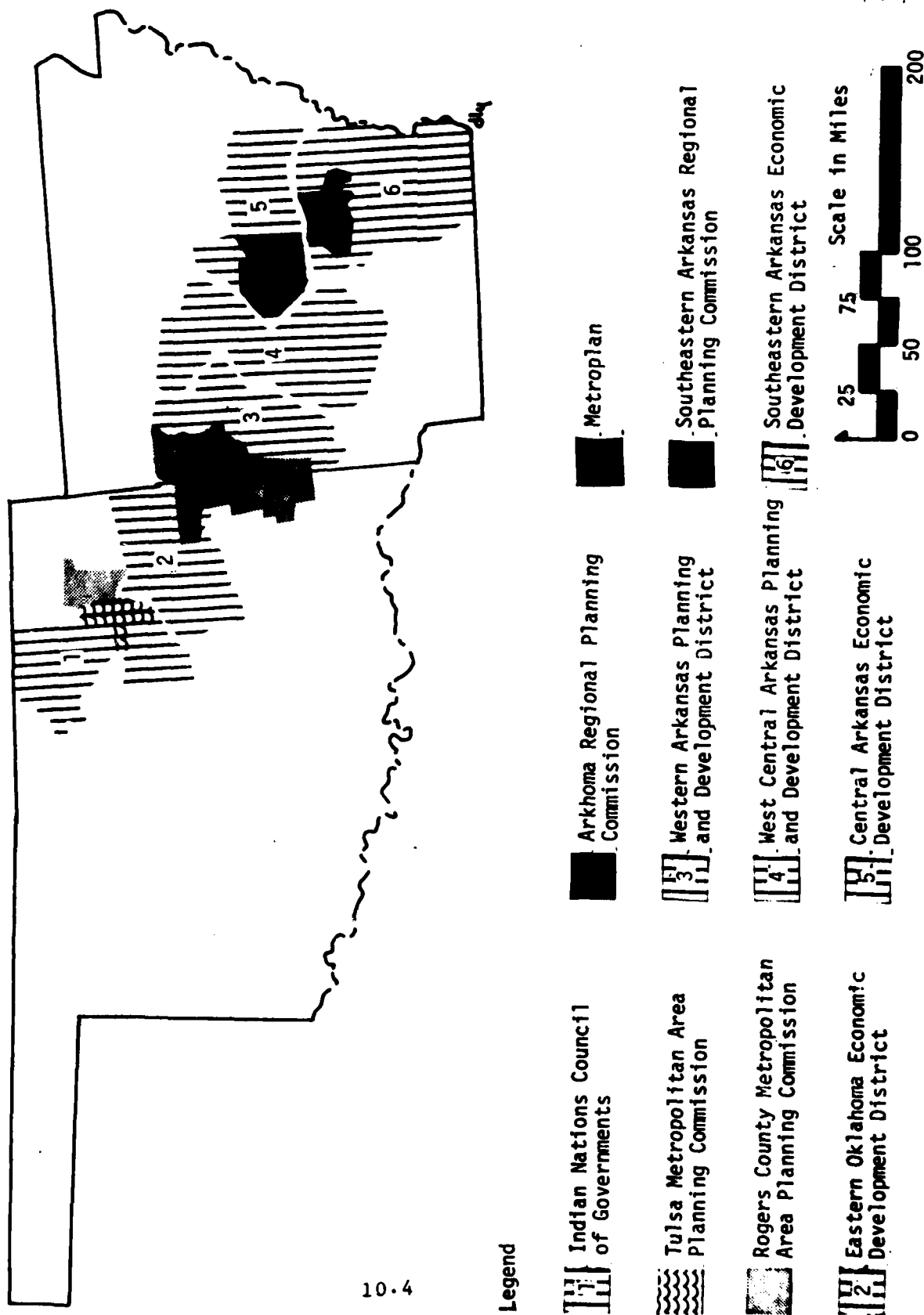


Figure 10 - 3
Overlapping Jurisdictions of Sub-State Regional Planning and Economic Development Districts Included in the McClellan-Kerr River Project Study, 1976



only two types of agencies exist, there is much overlapping of jurisdiction and function (See Figure 10 - 3).

Of the two types of planning and economic development organizations in Arkansas the Regional Planning Commissions (RPC) are the oldest, having been authorized by ACT 26 of the Arkansas General Assembly in 1955. This act permitted political subdivisions of the state to join together for planning purposes. Any local contiguous city/s or county/s may join together on a voluntary basis. Such organizations have no taxing powers and serve the primary purpose of developing plans and aiding local governments in developing and carrying out such plans. Zoning power, however, remains with the local city governments.

Three RPCs were included in the study. The Little Rock Metropolitan Area Planning Commission in Pine Bluff and the Arkhoma Regional Planning Commission (Fort Smith, Arkansas and Oklahoma area). Boundaries are displayed in Figure 10 - 1.

Metroplan came about as a result of civic leaders' interest in the early 1950's in securing a U.S. Air Force base in the Little Rock area. Some organization was necessary to secure the land, roads, rights of way and property in two counties and three cities in order to attract the base. Regional cooperation was necessary and this organization was created. Since that time Metroplan has changed from simply a metro planning agency to both planning and operation. This change was made possible by Act 430 of the General Assembly in 1967. Act 430 which is known as the Interlocal Cooperation Act allows local governments to exercise cooperatively any powers they have and may exercise separately. Metroplan presently has A-95 review and comment powers, land use planning, capital improvements planning, transportation and water quality planning, housing planning implementation assistance and planning and technical assistance to local governments. The operations aspects of Metroplan come in the operation of a metropolitan-wide mass transportation system.

Until 1967 no other area-wide planning or economic development districts existed in Arkansas. In 1965 the Arkansas Industrial Development Commission, under Winthrop Rockefeller's direction, developed a plan for the creation of Economic Development Districts. The plan called for the state to be divided into 14 Economic Development Districts. This number, for political reasons, was later reduced to eight. In 1969, Governor Rockefeller asked the General Assembly to give statutory recognition to the EDD's. This was accomplished with Act 118 and these districts were renamed PDD.

This act allowed the creation of PDD for the following purposes:

Promoting economic development; assisting local governments and private organizations in obtaining governmental grants and loans; preparing comprehensive regional plans for economic development and improved governmental services; and coordinating private and public programs in multi-county district.³

Four of the eight PDD's in the state were covered by this study. The Central Arkansas Economic Development District in the Little Rock and Conway area, the Southeast Arkansas Economic Development District in Pine Bluff, the Western Arkansas Planning and Development District in Fort Smith, and the West Central Arkansas Planning and Development District (Hot Springs and Russellville). See Figure 10 - 2.

Thus in Arkansas there are two types of regional agencies responsible for planning and economic development. To some degree both agencies have similar functions and all have overlapping jurisdiction with at least one other agency. For example, overlapping jurisdiction exists between the following agencies included in this study: The Southeast Arkansas Economic Development District and the Southeast Arkansas RPC (Pine Bluff area); the Central Arkansas EDD and Metroplan (Little Rock area); the Western Arkansas PDD and Arkhoma (Fort Smith and Sallisaw area). In addition, Arkhoma also has overlapping jurisdiction with two counties of the Southeastern Oklahoma Economic Development District and one county in the jurisdiction of Keddo. The West Central Arkansas PDD does not overlap with a metro planning agency (See Figure 10 - 3).

This overlapping of jurisdiction has caused some problems. The controversy began when the legislature was debating the passage of Act 118 which created the PDD's and continued in some cases until the early 1970's. The primary controversies were over control of the A-95 review process of Federal grants, responsible for area-wide planning, and the state appropriations of \$30,000 to each of the PDD's which the RPC's did not receive.

To a large degree some of this controversy has died down because each agency has assumed somewhat different primary roles. The PDD's have primarily become grant agencies with the responsibility of obtaining Federal funds for local governments, with some limited planning functions. Most planning seems to be done with the aim of obtaining Federal funds to carry out any plans developed. The PDD's are oriented more to the smaller communities and rural areas of the state. The RPC's are concerned primarily with metropolitan and regional planning. It has been suggested that the future of RPC's may depend on the ability to assume operational roles in transportation (as in Little Rock), and area wide sewage treatment.

In terms of dominance in state politics, the PDD's are the more significant of the two types of agencies. Because the PDD's were created by efforts of the Arkansas Industrial Development Commission they maintain a close relationship with the AIDC. Interchange of staff between the state AIDC and local PDD's is not uncommon.

Relations between the state EDD's and Economic Development Administration are both close and supportive. The following statement obtained from the EDA office in Little Rock indicates this supportive relationship.

THE IMPORTANCE OF THE PLANNING AND DEVELOPMENT DISTRICTS TO ARKANSAS

1. Districts are multi-county, multi-purpose, multi-funded, locally governed, nonprofit organizations with the professional capabilities to provide the type of individual assistance at the local level which aids in the solution of problems including, but not limited to, economic, community, and industrial development, planning and development in the areas of health, housing, transportation, recreation, etc. This assistance includes locating sources of funding and preparation of applications.
2. Districts are the only organizations available which can undertake a given program and without further reorganization give it effective and immediate statewide delivery to any and all communities.
3. Any attempt to dilute or alter the structure or functions of existing districts would tend to destroy the most vital resource available to assist communities, cities, and counties.
4. Act 118 of 1969 provides the means whereby the local people may alter the boundaries of existing districts if they do desire.
5. The Economic Development Administration which provides administrative money for the districts does not anticipate any funds in the foreseeable future for additional districts in Arkansas.

The controversy over A-95 review has been decreased to some degree by giving exclusive review for this function in metro areas to the RPC's and restricting the PDD's A-95 review to nonmetro areas. For example Metroplan has exclusive review in Pulaski and Saline Counties and the Central Arkansas EDD has review in Faulkner, Lonoke, Prairie and Monroe Counties. In the Pine Bluff area, Southeast Arkansas EDD has review for all counties except Jefferson and their review is made by the Southeast Arkansas Regional Planning Commission. In the Fort Smith area, Arkhoma RPC has the A-95 review for Sebastian and Crawford and the Western Arkansas PDD has this review function for all rural counties.

In addition, a State Planning and Development District Association has been created to which both the PDD's and RPC's belong. This organization meets quarterly and has aided relations between the two types of agencies.

Relations between the Western Arkansas PDD and Arkhoma RPC have been excellent and Lon Harding served as the Executive Director for both agencies until recently when he was replaced by Max Harrell. Relations between the Metroplan RPC and the Central Arkansas PDD are good and no great problems were reported. Cooperation seems to describe the relationship between the two Little Rock area agencies.

Relations between the Southeast Arkansas Regional Planning Commission and the Southeast Arkansas Economic Development District seem strained even though they are involved in different functions and cooperation is limited.

GOVERNMENT STRUCTURE IN OKLAHOMA

In Oklahoma the following agencies were included in the study: the City and County combined planning unit in Tulsa, known as the Tulsa Metropolitan Area Planning Commission; the City of Claremore-Rogers County Metropolitan Area Planning Commission; the Indian Nations Council of Governments in Tulsa, Creek and Osage Counties; Eastern Oklahoma Economic Development District in Muskogee and Sallisaw area. Thus there were two city/county planning commissions, one council of governments and one economic development district included in the area of study (See Figures 10 - 1, 10 - 2, and 10 - 3). The two city planning commissions in Muskogee and Sallisaw have not been involved in any projects impacting on industrial or river development and are primarily concerned with local zoning and subdivision controls; they were not included in this study.

The Tulsa Metropolitan Area Planning Commission and the Claremore Rogers County Metropolitan Area Planning Commission are both joint city-county planning agencies permitted by the intergovernmental local act. This act allows two or more units of local government to combine and perform any function that any one can perform alone. These two organizations are both governed by a board of directors or commissioners, four appointed by the city and four by the county. Their principal responsibility is for area wide planning and coordination as well as A-95 review and comment for Federal grants. They also control zoning and subdivisions within their jurisdictional areas.

The Claremore-Rogers County Planning Commission has jurisdiction over most of Rogers County including the City of Claremore and the unincorporated area of Rogers County, which includes the Tulsa Port of Catoosa. It does not have jurisdiction in other incorporated cities in Rogers County.

The Tulsa Metro Area Planning Commission has jurisdiction over most of Rogers County including the City of Claremore and the unincorporated area of Rogers County, which includes the Tulsa Port of Catoosa. It does not have jurisdiction in other incorporated cities in Rogers County.

The Tulsa Metro Area Planning Commission was created many years ago and grew out of a city planning commission that had existed years before that. The Claremore-Rogers County Planning commission is a relatively new body having been created because of the port at Catoosa. When the port was being constructed, the city of Tulsa annexed a strip around the area containing the port. This act prompted severe reactions in Rogers county and Claremore. It was a typical urban-rural controversy with Claremore/Rogers county feeling that the metro area was expanding into "their jurisdiction". Because of this controversy, the City of Tulsa withdrew its annexation, and the Claremore-Rogers County Planning commission was created to provide some planning and land use controls over the port and surrounding area. This planning commission is an example of a governmental body created as a direct result of the river system developing.

The Indian Nations Council of Governments was created in the late 1960's to provide a voluntary association of local governments with jurisdiction broader than the immediate Tulsa metro area that could provide planning and coordination as well as A-95 review for Federal grants. At one time this organization included the following counties; Tulsa, Rogers, Osage, Creek, and Wagoner. However, Rogers and Wagoner Counties have withdrawn from the organization.

The Eastern Oklahoma Economic Development District is a seven county jurisdictional EDD created under Federal Economic Development Administration sanction and funding. This organization not only represents cities and counties within its area but also the Creek and Cherokee Indian Nations.

PROJECTS, ACTIVITIES AND FUNCTIONS OF PLANNING AND ECONOMIC DEVELOPMENT DISTRICTS IN ARKANSAS

The two agencies responsible for economic development and planning in the Pine Bluff area of Arkansas are the Southeast Arkansas EDD (SEAEDD) and the Southeast Arkansas RPA (SEARPC). The jurisdictional areas of these agencies were described above. The SEARPC is primarily responsible for planning and A-95 review for Jefferson county. To date it has not been involved in any projects which have direct impact upon the port or river development. Since SEARPC lacks enforcement mechanisms of zoning and subdivision, (functions which rest with the city planning commission), plans developed by this agency are of a recommendatory nature. Most planning takes such form as transportation planning for Federal highway programs and mass transportation. However, the agency has not been involved in planning of road improvements for the port at Pine Bluff.

Plans developed by the agency are not widely accepted in Pine Bluff because, as in most of Arkansas, planning has not become widely accepted as necessary and proper function of government. In Pine Bluff the interest, according to a local planning official, seems to be toward short term economic gains rather than long term needs and planning. In summary, SEARPC has not had a significant impact on river or economic development in the Pine Bluff-Jefferson county area.

The Southeast Arkansas EDD has had a much more significant impact on economic development in southeast Arkansas and the Pine Bluff-Jefferson County area than the SEARPC because its primary role is to get economic development grants for communities in its ten-county jurisdictional area.

According to reports produced by the SEAEDD its primary purpose is to promote industrialization of the area with a secondary emphasis being placed on recreation and tourism promotion, transportation and roads, and education and public health planning. In carrying out these objectives,

SEAEDD's primary role is to obtain Federal grants and loans for local units of government. In this role SEAEDD has been quite successful.

Examples of the projects for which SEAEDD has helped local governments obtain grants or loans which have a direct impact on the waterway or providing local services necessary to encourage industrialization are listed below:

1. Dumas Industrial Park and water system expansion and improvements.
2. Great Rivers VoTech School at McGehee.
3. Dermott water system improvements.
4. At Monticello, Arkansas, water system improvements for carpet factory using river to import hemp.
5. At Port of Pine Bluff the following projects: tank, sewer system, cotton handling facilities, chicken feed plant, liquid handling facilities, cargo handlers and light weight aggregate handling facilities, port industrial park.
6. Stuttgart Industrial Park.
7. Star City water storage system used by paper mill that ships overseas.
8. Warren water system expansion.
9. Rison water storage system.
10. Sheridan water and sewage improvement systems.

In addition to helping local governments obtain grants or loans for industrial or port development, SEAEDD has also helped obtain funds for recreational, cultural, health and educational projects. Examples of these are the Pine Bluff Convention Center, BOR park grants for cities, health planning grants, hospital and health facilities grants, and vocational education grants (see Table 10 - 1).

In summary, the southeast Arkansas Economic Development District has been a very active and aggressive organization in aiding local governments to obtain Federal grants and loans necessary to promote industrial and economic development as well as cultural and recreational functions. It is doubtful that many of the smaller communities would have the expertise to obtain Federal funds in some of these areas without the help of such organizations.

The thing that seems to be lacking in the activities of SEAEDD is an overall plan for land use and economic development. Programs seem to be piecemeal and lack an overall conception or scheme. This may be in part due to the general lack of acceptance of areawide planning by local officials in the area.

The two agencies responsible for economic development and planning in the Little Rock area are Metroplan and the Central Arkansas Economic Development District. At the present time the two agencies seem to be cooperating with one another on such matters as A-95 review and coordination of projects of interest to both.

TABLE 10 - 1

ECONOMIC DEVELOPMENT ADMINISTRATION PROJECTS APPROVED IN THE SOUTH-
EASTERN ARKANSAS ECONOMIC DEVELOPMENT DISTRICT AS OF DECEMBER 1974,
IN THOUSANDS OF DOLLARS

PROJECT	DATE OBLIGATED	FUNDS
<u>Pine Bluff, Arkansas:</u>		
Planning Assistance Grant	5/05/67	\$52,000
Continuation Planning Grant	5/16/68	\$61,000
Second Continuation Planning Grant	5/16/69	\$63,000
Third Continuation Planning Grant	6/09/70	\$61,000
Fourth Continuation Planning Grant	5/20/71	\$54,000
Fifth Continuation Planning Grant	5/24/72	\$54,000
Sixth Continuation Planning Grant	6/21/73	\$65,000
Pine Bluff-Jefferson Co. Port Facilities Study Technical Assistance Grant	12/07/71	\$ 3,000
City of Pine Bluff Sanitary Sewer System Improvement Public Works Grant	5/10/72	\$355,000
City of Pine Bluff Sanitary Sewer System Improvement	6/30/72	\$36,000
<u>Monticello, Arkansas:</u>		
Water/Sewer System Improvement Public Works Grant	2/27/69	\$938,000
City of Monticello Water/Sewer System Expansion	2/06/70	\$534,000
City of Monticello Sewage Treatment Facility Public Works Grant Supplement	5/18/66	\$44,000

Metroplan is a metropolitan area (Saline and Pulaski County) planning agency with operational control of the area-wide bus transit system (Central Arkansas Transit or CAT).⁵

Metroplan is primarily responsible for physical planning with most of its work devoted to such things as transportation, land use, community facilities, sanitary sewers and water supply planning. Metroplan does not get involved in such things as manpower or health planning in the metro area. This type of planning is conducted by CAEDD. CAEDD is responsible for physical planning in the four nonmetropolitan counties in its jurisdiction.

A 1964 study by Metroplan, which planned the East Belt Freeway, did take into account the fact that a port would be located on the river and that access would be needed to the port. However, the 1964 study did consider and plan access to a port in North Little Rock.

The actual location of the port was not a part of the 1964 East Belt Freeway study. The port location plan was not conducted by Metroplan; another agency conducted the study.

Metroplan produced its first Comprehensive Development Plan in 1968. This plan attempted to project growth and development in the Little Rock area to 1990. Although it was completed just one year before the river project was finished, only half of one written page is devoted to the port or river transport.⁶ The transportation part of the 1968 plan does not take into account the need for roads into a port area or the location of a port. This is also true for the water and sewage portions of the 1968 plan. The 1968 plan also identifies 14 development areas of which 7 border the river area. In these 7 areas, the vast majority of the land is shown as best used for recreation and parks, residential, and commercial with little attention devoted to ports or industrial development. Completed in 1968, the 1990 Comprehensive Development Plan of Metroplan does not take into account the reality of the opening of the waterway just one year later. This appears to be a weakness in the 1968 plan.

In June of 1975, Metroplan completed a study entitled Industrial Development Plan. It was intended as an update of a 1961 comprehensive Industrial Growth Plan. The purpose of this study was to quantify and analyze "existing industrial land use and projected industrial land needs to the year 1995 in the Little Rock-North Little Rock Metropolitan Area. The salient points are that: 1. industry is a major employer in the area, 2. significant industrial growth has occurred since the 1961 study, and 3. ample industrial land is available to meet projected industrial land requirements to the year 1995."

If one examines this 1975 study closely, one can find little attention being devoted to the port as a factor in industrial location. The existence of water transportation is mentioned in two paragraphs on page 6 but little else is stated regarding the subject in the report. Of the industrial development areas noted, areas A, E, F, G, H, J, and K border the river. The port itself is located in area G. (pages 82 - 85). While

the port is shown on the map, no indication of port activity is listed (page 85). Also, on pages 120 - 121 where the characteristics of Development Area G are noted in more detail there is little attention given to the port as an important factor in industrial location. In addition, in Chapter 7 (pages 135 - 158) titled "Forces Influencing Future Development" no mention of the port appears even in the subsection titled "Potential Industrial Areas as Determined by Transportation" (page 140).

The only available study produced by Metroplan which give considerable attention to the port is the 1974 Pulaski Area Transportation Study. This study indicates the need for additional road improvements into the port area.

The fact that the port facilities at Little Rock were given such little attention by most of the studies examined seems a significant, while probably not intentional, oversight. One must question the significance with which the port is viewed by Metroplan. Metroplan seems to have concentrated its efforts on physical planning, a function and activity much needed and important to a growing metropolitan area, and to responding to growth within the metro area without giving much attention to the port as a seemingly significant element in that growth.

The Central Arkansas Economic Development District has responsibility for physical planning in the four nonmetropolitan counties and manpower, health, and human resources planning for the six-county area. As previously indicated it is the primary grant-obtaining agency in the Little Rock, North Little Rock and Conway area. Examples of the kinds of grants (Table 10 - 2) that CAEDD helped secure which have an impact on river and port development are as follows:

1. In Conway-grant to correct sewer and water system problems created by construction of the waterway. grant for industrial park water system, and grant to study new water supply on Cypress creek.
2. Little Rock Port grant for water line and storage tank.
3. Convention Center in downtown Little Rock-river was used as a tourist attraction in justification of the grant.
4. Loan for Red Carpet Inn purchase and operation by blacks in community; river as a tourist attraction in justification of the grant.
5. Live Stock Association Coliseum.
6. Downtown Mall-New Town In Town grant, with river as tourist attraction used as a justification.
7. Slack water ports at Little Rock and North Little Rock study.

TABLE 10 - 2

ECONOMIC DEVELOPMENT ADMINISTRATION PROJECTS APPROVED IN THE CENTRAL
ARKANSAS ECONOMIC DEVELOPMENT DISTRICT AS OF DECEMBER 1974 in THOUSANDS
OF DOLLARS

PROJECT	DATE OBLIGATED	FUNDS
<u>Little Rock, Arkansas</u>		
Water Works Board of Water Line and Storage Public Works Grant	1/22/71	\$1,144,000
Modernize Auditorium Public Works Grant	6/30/71	\$1,040,000
Modernize Auditorium Public Works Grant	2/28/72	\$260,000
Ark. Livestock Show Assn. Show Ground Facility Improvement Public Works Grant	10/17/73	\$600,000
All Incorporated 150 room motel Business Loan	6/28/72	\$1,129,000
All Incorporated motel Business Loan	6/27/73	\$222,000
Thomas Godwin & Wilson, Inc. Capital Guarantee	6/15/72	\$90,000
City of North Little Rock Slack Water Port Feasibility Study Technical Assistance Grant	1/14/74	\$30,000
Little Rock Unlimited Progress, Inc. Little Rock Business District Feasibility Study Technical Assistance Grant	5/30/73	\$20,000
University of Arkansas Economic Development Program Technical Assistance Grant	6/23/67	\$64,000
University of Arkansas Economic Development Program Technical Assistance Grant	6/17/69	\$75,000

TABLE 10-2 (continued)

EDA PROJECTS OF THE CAEDD

PROJECT	DATE OBLIGATED	FUNDS
<u>Little Rock, Arkansas</u>		
University of Arkansas University Center-Economic Dev. Program Technical Assistance Grant	6/30/70	\$75,000
University of Arkansas Economic Development Program Technical Assistance Grant	6/30/71	\$66,000
University of Arkansas Economic Development Program Technical Assistance Grant	2/08/72	\$32,000
University of Arkansas Economic Development Program Technical Assistance Grant	6/28/72	\$60,000
University of Arkansas Economic Development Program Technical Assistance Grant	4/02/73	\$30,000
University of Arkansas Industrial Research and Extension Center Technical Assistance Grant	1/29/74	\$30,000
University of Arkansas Industrial Research and Extension Center Technical Assistance Grant	6/28/74	\$60,000
<u>Conway, Arkansas</u>		
City of Conway Water Works Improvement Public Works Grant	3/15/66	\$689,000
Arkansas Children Colony Retarded Children Facility Public Works Grant	11/22/66	\$1,408,000
<u>Lonoke, Arkansas</u>		
Planning Assistant Grant	3/13/69	\$48,000
Continuation Planning Grant	5/18/70	\$53,000

As can be noted many of these projects are not directed toward industrial development but at tourist promotion where the river is used at a tourist attraction.

In addition to these projects the CAEDD is working with Little Rock and North Little Rock trying to get Federal funds to aid in the construction of slack water ports. While there is no EDA money appropriated by Congress at the present time it is hoped that Senator McClellan will be able to help secure these funds.

The West Central Arkansas Planning and Development District has not been as active in promoting economic growth in river communities as other PDD's in this study due primarily to two reasons. First, the home offices of the WCAPDD are located in Hot Springs, Arkansas. Second, only two small river cities are within its jurisdiction (Russellville and Dardanelle). The kinds of projects include such things as waste water treatment facilities, hospitals and planning grants. A listing of such projects is included in Table 10 - 3.

Plans and reports prepared by Arkhoma (ARPC) seem to be similar in format and approach to those of WCAPDD. This is not surprising since they share facilities and have a common executive director. Plans developed try to take into account the full range of factors including such things as geography and topography, land use, population characteristics, public and private financing of projects, labor force and manpower requirements, industrial sites, housing supply public utility needs, transportation and retail trade requirements, and demographic data on the region. Development of such data and plans for a bi-state area could prove useful to local officials in making decisions regarding future industrial development of the river system. However, it is difficult to assess to what degree the plans and activities of ARPC are taken and used by local officials in the region (see Table 10 - 4).

PROJECTS, ACTIVITIES AND FUNCTIONS OF PLANNING AND ECONOMIC DEVELOPMENT DISTRICTS IN OKLAHOMA

The agency responsible for planning and economic development in the Muskogee-Sallisaw area of Oklahoma is the Eastern Oklahoma Economic Development District. The jurisdiction of the EOEDD includes 7 counties, a population of some 200,000, 8 conservation districts, representatives of the Creek and Cherokee Indian Nations, 3 chapters of the NAACP and various vocational education groups. While primarily an Economic Development Administration it also effectively functions as a local Council of Governments and as an area wide planning agency. Its primary function is to strengthen local government, to help local government by developing guidelines, standards, and to help local governments obtain Federal grants.

TABLE 10 - 3

ECONOMIC DEVELOPMENT ADMINISTRATION PROJECTS APPROVED IN THE WEST CENTRAL
ARKANSAS PLANNING AND DEVELOPMENT DISTRICT AS OF DECEMBER 1974 IN THOUSANDS
OF DOLLARS

PROJECT	DATE OBLIGATED	FUNDS
<u>Russellville, Arkansas</u>		
City of Russellville Sewage Treatment Facility Public Works Grant	10/31/69	\$1,233,000
City of Russellville Waste Treatment Plant Public Works Supplement Grant	5/04/66	\$40,000
<u>Morrilton, Arkansas</u>		
Conway County, Arkansas 76 bed hospital Public Works Supplement Grant	6/30/67	\$350,000

TABLE 10 - 4

ECONOMIC DEVELOPMENT ADMINISTRATION PROJECTS APPROVED IN THE WESTERN
 ARKANSAS PLANNING AND DEVELOPMENT DISTRICT AS OF DECEMBER 1974 IN
 THOUSANDS OF DOLLARS

PROJECT	DATE OBLIGATED	FUNDS
<u>Fort Smith, Arkansas</u>		
Planning Assistance Grant	2/15/67	\$55,000
Continuation Planning Grant	2/08/68	\$54,000
Second Continuation Planning Grant	2/08/69	\$60,000
Third Continuation Planning Grant	4/10/70	\$23,000
Fourth Continuation Planning Grant	7/31/70	\$56,000
Fifth Continuation Planning Grant	9/01/71	\$56,000
Sixth Continuation Planning Grant	8/09/72	\$111,000
Supplemental Planning Grant	6/17/74	\$56,000
Carnegie Region City Board Scientific Library Public Works Grant	6/29/67	\$595,000
City of Fort Smith Waterworks Improvement Public Works Grant	4/25/68	\$380,000
City of Fort Smith Water Facility Public Works Grant	6/26/68	\$875,000
Sebastian County Junior College Vocational/Technical Center Public Works Grant	3/19/70	\$765,000
State of Arkansas Day Care Center Public Works Grant	10/28/69	\$250,000

TABLE 10-4 (continued)

EDA PROJECTS OF THE WAPDD

PROJECTS	DATE OBLIGATED	FUNDS
<u>Fort Smith, Arkansas</u>		
Fort Smith Port Authority Industrial River Port Public Works Grant	8/05/71	\$393,000
City of Fort Smith Sewage Pump Station Public Works Supplement Grant	3/31/69	\$202,000
Evaluating Fort Smith Port Facility Technical Assistance Grant	6/03/71	\$3,000
City of Fort Smith Five Fire Stations Public Works Grant	10/12/72	\$384,000
<u>Van Buren, Arkansas</u>		
City of Van Buren Municipal Complex and Library Public Works Grant	1/03/72	\$328,000
<u>Mulberry, Arkansas</u>		
Town of Mulberry Water System for Industrial Park Public Works Grant	8/11/67	\$103,000
City of Mulberry Construction of Water Transportation Line Public Works Grant	12/13/73	\$176,000

Examples of specific programs which help local governments include such things as working with local governments to improve management skills and techniques and aiding local governments to establish a long range capital improvements program as well as a systematic general planning process. This has been accomplished by producing a series of booklets or guides to local officials and includes such topics as land uses, water quality management, storm drainage and flood control, continuing education, transportation planning, open space planning, economic development and base studies. These are how-to-do work books and could be quite useful to small towns with limited personnel and expertise.

No general overall plan for economic development in the jurisdiction of the agency has been developed. This is, in part, due to the reluctance of local officials in the region to accept area-wide planning. Even planning on the local level is not well accepted by all local officials.

In aiding local governments to obtain Federal money, the EOEDD has been quite successful and helpful. Examples of such projects in Muskogee and Sallisaw are listed in Table 10 - 5. As can be seen from this listing, EOEDD has been quite helpful in obtaining funds for the development of the port at Muskogee. EOEDD has also represented the region on such matters as the Corps of Engineers' proposed land use plan for the river system and Tulsa's application for water in Lake Tenkiller. The Corps of Engineers' plan was opposed primarily because it gave too much emphasis to recreation and not enough to industrial development. The opposition to Tenkiller stems from the thinking that the water will be needed in the Sallisaw and Muskogee areas to encourage economic development of the region in the future.

In conclusion, the EOEDD has been an effective organization in aiding local governments to improve management skills and services and to obtain Federal grants and loans. In addition, EOEDD also represents the region's interests before Federal and State agencies. Without the efforts and help of EOEDD it is doubtful that many local units of government would be able to provide services and to obtain Federal assistance at present levels.

The Indian Nations Council of Governments is the only unit of government organized as a council of governments to be included in this study. At one time this agency had jurisdiction over Tulsa, Rogers, Osage, Creek, and Wagoner counties but Rogers and Wagoner Counties have withdrawn from the organization because membership is voluntary and because of disagreements over the area-wide planning and fears that INCOG might become a "super government." The withdrawal of these counties has excluded any portion of the river system from the jurisdiction of INCOG.

In addition to the disputes with Rogers and Wagoner Counties over the role and function of INCOG there have also been problems with the Tulsa Metropolitan Area Planning Commission over the A-95 review and comment process. This dispute has yet to be resolved. Relations between the two agencies do not seem to be marked by cooperation and mutual respect for areas of jurisdiction and functions.

TABLE 10 - 5

FEDERAL PROJECTS FUNDED THROUGH THE EASTERN OKLAHOMA
ECONOMIC DEVELOPMENT DISTRICT

PROJECT	DATE OBLIGATED	FUNDS
<u>Muskogee County, Oklahoma</u>		
Muskogee Port Authority Port Dock and Industrial Park EDA Grant	11/10/66	\$1,025,000
Muskogee Port Authority Industrial Park and Right-a-Way EDA Grant	5/15/68	\$111,000
Muskogee Port Authority Sewer Line EDA Grant	5/15/68	\$487,000
Choska Alfalfa Mills (Haskell, Okla.) Processing of Alfalfa EDA Loan	6/27/68	\$122,000
Muskogee Port Authority Industrial Park Right-a-Way EDA Grant	2/07/69	\$56,000
Muskogee Port Authority Sewer Line EDA Grant	2/10/69	\$67,000
City of Muskogee Sewer Improvements EDA Grant	3/31/69	\$620,000
Muskogee Port Authority Industrial Park EDA Grant	2/10/69	\$666,000
City of Muskogee Sewer Improvements EDA Grant	6/29/71	\$134,000
Greater Muskogee Development Corporation Tube Mill Study EDA Grant	3/08/73	\$50,000

TABLE 10-5 (continued)

EDA PROJECTS OF THE EOEDD

PROJECT	DATE OBLIGATED	FUNDS
<u>Muskogee County, Oklahoma</u>		
Greater Muskogee Development Corporation Industrial Park EDA Grant	12/13/73	\$541,000
Greater Muskogee Development Corporation Marine Service Feasibility Study EDA Grant	1/23/75	\$3,000
Town of Oktaha Sewer System Improvements HUD Grant		\$40,000
Town of Haskell Gas System Reconstruction HUD Grant		\$100,000
Town of Haskell Water System Improvements ORC Grant		\$150,000
Town of Boynton Storm Drainage Improvements HUD Grant		\$80,000
Muskogee County Council of Youth Service Alternate School Education OCC/LEAA Grant		\$30,000
Muskogee County Council of Youth Service Court OCC/LEAA		\$18,000
Muskogee Goodwill Industries Social Work HEW Grant		\$15,000
Muskogee City-County Port Authority Industrial Rail Spur ORC Grant		\$40,000

TABLE 10-5 (continued)

EDA PROJECTS OF THE EOEDD

PROJECT	DATE OBLIGATED	FUNDS
<u>Muskogee County, Oklahoma</u>		
Muskogee City-County Port Authority Industrial Rail Spur FmHa Grant		\$100,000
City of Muskogee Coody Creek-Contingency BOR Grant		\$17,545
<u>Sequoyah County</u>		
City of Sallisaw Sewer System Improvements - Step 1 EPA Grant		\$43,125
Sequoyah County Commission Youth Services Center OCC/LEAA		\$25,357
Muldrow Utility Authority Water System Improvements EDA Grant	6/16/67	\$1,000
City of Sallisaw Water Treatment Plant Improvements EDA Grant	10/06/69	\$1,120,000
City of Sallisaw Sewage Treatment Improvements EDA Grant	12/31/69	\$224,000
Sequoyah County Water Association Waterworks Improvements EDA Grant	6/30/70	\$649,000

INCOG has had limited involvement in projects and plans that have been directed at industrial or port development. Its involvement has been limited to the following: A-95 Review and Comment; recreation development on the Arkansas River in Tulsa County; and an EDA grant for the Cherokee Industrial Park.

The impact of INCOG as a local planning agency on industrial and river development would have to be ranked as minimal. This is due, in part, to the fact that the river system is not within the jurisdiction of this agency's boundaries.

The Tulsa Metropolitan Area Planning Commission is a joint city and county planning commission having responsibility for both planning and zoning in the city of Tulsa and Tulsa County and part of Osage County. This organization began as a city planning and zoning commission and was later expanded to include the county under a state act which allows local units of government to agree to perform jointly any function that either can perform separately.

The TMAPC is governed by a 12 member board, 6 appointed by the City Commission of the City of Tulsa, 3 by the Tulsa County Commissioners, 1 by Osage County Commissioners, and 2 ex officio members: the Mayor of Tulsa and the Chairman of the Tulsa County Commission. This organization makes recommendations for planning and zoning changes in all of Tulsa County and part of Osage County. Recommendations are forwarded to the governing bodies of municipalities within the counties for final approval. The staff of the TMAPC assists the staffs of municipalities in formulating plans and zoning changes. The governing board of the TMAPC only makes final planning and zoning changes in the unincorporated areas of Tulsa and part of Osage County.

As pointed out earlier, the city of Tulsa had at one time annexed the area where the Port of Catoosa is located but withdrew this annexation because of difficulties with Rogers County. Tulsa was concerned with development in the port area and wanted to extend its planning and zoning powers into that area. The city of Claremore and Rogers County created the Rogers County City of Claremore Joint Planning commission to provide this function in Claremore and Rogers counties, which includes the Port of Catoosa. Thus the TMAPC does not have planning and zoning control over the port area.

Despite this lack of control over the port area the TMAPC has engaged in activities that will probably have an impact upon the development in the general direction of the port. This is being attempted by a broad range approach known as Vision 2000, a concept initiated by Mayor Robert J. LaFortune of Tulsa. The basic intent of the plan is to try to encourage the direction of growth of the city of Tulsa to the north and northeast and away from the south and southeast. This means growth in the general direction of the port at Catoosa.

In order to fully understand the implications of this plan one must understand a number of interrelated factors. The first is the concept of

balanced growth. The basic idea behind this concept is that a city should not develop in only one direction. In the case of Tulsa this means to the south and southeast as has been the case in the past. Balanced growth means that the city should develop in all directions with a viable business district at the center of the city. Balanced growth is said to have the advantage of allowing full utilization of all community facilities. The city does not have to extend its service lines for sewage, water and its streets in a lineal fashion or in one direction only. Past investments in city facilities can remain usable and functional because the older parts of the city (the center) will always have new growth around them. This will also help prevent the decline of neighborhoods and the problems associated with such decline. Thus the basic concepts behind balanced growth are to encourage growth in all directions but especially to the north and northeast, protect the city's investment in streets, sewage and water lines, encourage the preservation of neighborhoods in all parts of the city, and prevent some areas of the city from growing at the expense of other areas. Because of much public criticism and misunderstanding of the meaning of balanced growth the term is no longer being used but the concept remains a part of the Vision 2000 program.

Another factor that must be understood is the effort at revitalization of the Center Business District (c.b.d.). This problem, not uncommon to most major cities, goes back to the 1950's when the retail trade began to move from the c.b.d. to the suburban area. In the 1950's the city hired a consultant to develop a plan. This planning effort was not successful because the business community was not involved in the process. Despite public investments in a civic center, and city and county office complexes, c.b.d. redevelopment was not complete.

In the late 1960's the business community asked the TMAPC to do another plan. They agreed to do this only if the business community had a substantial involvement. This plan resulted in the development of a mall concept for the downtown area to encourage a retail shopping area. Construction is underway on Tulsa's downtown mall.

In addition to this attempt the city is also developing a river parks project to provide a highly developed park, shopping and recreational area on the Arkansas River next to the downtown area. This project is aimed at not only providing an attraction to the c.b.d. area but as a general recreational and perhaps residential area very close to the c.b.d. In addition, the river parks project will be linked to other parks of the city by a park system along creeks leading into the Arkansas River. This will link the river parks with all parts of the city.

In the private sector a very significant development has occurred that will undoubtedly have a great effect upon the c.b.d., the development of the Williams Center. This 22 acre complex is being developed with private funds from The Williams Companies. It is located on the northern edge of the c.b.d. and will contain a 60 story office building to house the Bank of Oklahoma and other offices, performing arts center, retail shopping facilities, a hotel and three other office buildings as well as a parking garage. While this facility was not conceived as a part of any TMAPC plan

it was a factor in influencing the TMAPC to begin the Vision 2000 plan. As one official remarked, "The Williams Center forced us to realize that we needed to do some planning."

Another factor of importance in directing growth in the North of Tulsa is the Cherokee Industrial Park. This project is being pushed by the Chamber of Commerce. The park will be aimed at attracting industry into the north and northeastern part of the city. Such industry will, of course, attract housing developments for workers into this area. The TMAPC has worked closely with the Chamber of Commerce in attempting to secure EDA funds for the development. The financial community has made a commitment to finance both commercial and residential development in the area

Adequate transportation is a necessary part of any community plan. The realization of this has led to the formation of plans for the extension of the Osage Expressway. This expressway would not only provide access to the northern section of the city but would serve an additional function of providing a physical barrier between a newly developing residential area called Gilcrease Hills and adjoining areas. Approval of bonds for this function will require 60 percent voter approval. If this expressway is extended northward it would provide a physical barrier between the poor areas and allow for the development of an upper income area in the north of Tulsa to balance such growth to the south and southeast.

Thus, several factors seem to indicate the commitment of Tulsa to a redirection of the development patterns of the city from the south and southeast to the north. The balanced growth concept is, in part a commitment to the attempts by the business community to a revitalization and continued development of the c.b.d. It is supportive of such things as the Williams Center, the River Parks Project, the Cherokee Industrial Park, the Downtown Mall, and the Osage Expressway. These projects all lend assistance to the attempts to redirect development of the north and northeast and in the direction of the Port of Catoosa.

The Vision 2000 project of the TMAPC is the mechanism through which the community hopes to redirect the growth of the city. Great effort has been made by the TMAPC to develop wide public support for the product. To obtain this public support for the project the city has been divided into 16 planning districts with elected representatives composing a planning team in each district. These elected representatives are responsible for developing a plan for their district. Further public input, and hopefully support, is obtained by holding public hearings in each of the 16 districts. The final product is a district plan that is supposed to represent the views of the citizens in that district as to how they want development to occur.

The activities of these 16 district committees are coordinated by the Greater Tulsa Council, made up of elected representatives from the planning districts. While the planning process is going on, requests for zoning changes are processed through the district committees and representatives of the Greater Tulsa Council are asked to comment on such changes before the Tulsa City Commission makes the final zoning change decision.

In an effort to develop a strategy to help carry out the balanced growth concept a Growth Strategy Task Force was created to provide cooperation and coordination between the TMAPC and the business community. This committee is divided into four subcommittees to recommend specific policies to achieve balanced growth. They were: 1. Employment Subcommittee which studied employment needs and supplies in Tulsa; 2. Education Subcommittee which studied school needs and school location decisions; 3. Physical and Psychological Factors Subcommittee which studied such factors as River Parks and park needs, flood plain management, topographical factors effecting development, integration of public schools and public transportation needs; 4. Utilities Subcommittee which considered capital improvement needs as factors in achieving balanced growth.

The final report of the growth strategy committee is not completed at this time but preliminary work of this committee indicates concerted effort on the part of the planning commission and the business community to direct the development of the city and achieve both a balanced growth as well as a growth in the direction of the north and northeast.

In conclusion one can say that there has been a considerable amount of effort in the city and county of Tulsa to direct growth in a more orderly fashion than has been the case in the past. This growth policy, if successful, will mean additional industrial development in the northern part of Tulsa and some possible spinoff for the port area. Even if development in the port area does not result from this growth plan, the organizational efforts of the TMAPC have given serious consideration to the need for planning the future of the city to a far greater extent than was true in any other city in this study.

The City of Claremore-Rogers County Metropolitan Area Planning commission (CRMPC) was created to provide planning and land use controls in Rogers County primarily because Rogers County did not want the city of Tulsa to extend its planning and zoning powers into the county. Thus, the CRMPC is a relatively new governmental body created as a direct result of the port at Catoosa. The organization has provided Rogers County with a Comprehensive Plan and introduced the concept and idea of planning and zoning to a semi-rural county on the verge of industrial development. The organization has been able to sell the idea of planning and zoning as a needed government function to both protect the land owner and provide the city and county with some control over development. In this way the CRMPC has been a success.

CONCLUSIONS AND EVALUATIONS OF ACTIVITIES OF ECONOMIC DEVELOPMENT ORGANIZATIONS IN ARKANSAS AND OKLAHOMA

In the introduction to this chapter it was suggested that the degree to which local communities attempt to plan for the future economic development are very critical. There is a variety of local planning and development districts especially in Arkansas but also in Oklahoma and

efforts at planning are as varied as the organizations. Some organizations play an active role in both planning and development of policies to aid industrial recruitment while other functions are limited primarily to obtaining Federal grants with a limited role in planning.

The Economic Development Districts (also called Planning and Development Districts) in Arkansas seem to have as their primary aim to aid local communities to obtain Federal grant money, especially Economic Development Administration grants and loans. With the possible exception of the Western Arkansas PDD they have a limited role in planning. Their role as planning agencies is no doubt limited by the lack of acceptance of planning as a proper function of government by local officials in Arkansas. Planning on the part of government is apparently viewed by many officials as not necessary and perhaps an interference in the "free enterprise system." PDD's (or EDD's) seem to have the support of many local and state politicians in Arkansas who view their primary role of obtaining Federal grants as a proper function of such agencies.

The Regional Planning Commissions in Arkansas play a more limited role in terms of obtaining Federal grants. While their primary role is that of planning, none have had much to do with planning that has a direct impact upon the waterway or industrial development along the river system. In addition, none of the three Regional Planning commissions in Arkansas were involved in port location studies in the early stages of development. Planning by these agencies takes the form of long range planning and land use planning but little effort is directed at planning that has a direct impact on the river system.

In most cases, the Oklahoma planning and economic development districts are more involved in planning and other activities that have a direct impact upon river and industrial development than is true in Arkansas. The Eastern Oklahoma Economic Development District has been involved not only in obtaining grants but also in attempting to plan for river development in the area. The Tulsa Metropolitan Area Planning commission has also been extensively involved in planning activities aimed at encouraging the use of land in the northern and northeastern sections of the city. The Indian Nations Council of Governments has not had much planning or other activities that impact on the ports or river development. The city of Claremore-Rogers County Planning commission has developed plans for the port area in Rogers County but has had little involvement in industrial or river development policies.

In general it can be stated that the planning and economic development districts in both Arkansas and Oklahoma have had a limited impact upon river and industrial development. They have been useful agencies, in many cases, in helping local governments obtain Federal grants to improve municipal services and to help attract local industry. They have not formulated long range plans for the development of the river. There is no overall guide to development and use of land along the river way. However, transportation planning is a very specialized area and few agencies have expertise in this area and this should not be taken as a severe criticism.

In part the reason for the lack of such planning for land use on the river system seems to be a lack of acceptance by local officials of planning as a proper role of government. The early history of efforts to develop the river system seems to indicate that this attitude toward planning is not of recent development but has been present since at least the 1930's. Unless planning becomes more accepted in the communities along the waterway it is doubtful that such agencies will assume any larger role than they have today.

EFFORTS TO CREATE AN AREA-WIDE PLANNING AUTHORITY FOR THE ARKANSAS RIVER

There were two basic approaches proposed for the development of the Arkansas river project. First, the approach that was used, where the Corps of Engineers develops the system and the primary emphasis is on flood control and navigation. Ownership and control of land and its development remain primarily in the private sector. Second, an approach that was suggested, where a TVA type organization is created and the primary emphasis is on electrical power generation with navigation and flood control playing a secondary role. Ownership and control of land would be primarily in the private sector.

The question of which approach should be applied to the Arkansas river was debated for many years before the project was started. In general the TVA approach was rejected for several reasons. First, local power companies in Oklahoma objected strongly to the government entering the power generation business. Second, local leaders feared that the creation of a TVA type agency would mean that local control of economic development would be greatly reduced if not eliminated entirely. Third, the role of the Corps of Engineers in the project would be weakened if an Arkansas River Authority was created. Fourth, President Eisenhower would not have supported such a project. He had on more than one occasion, indicated he would like to sell the TVA.

While it is difficult to tell which of these reasons were most important it is evident that the values of local control of and development of land by the private sector are values strongly held by local leaders in both states. A TVA type agency would undercut this control and be unacceptable.

An examination of the history of efforts by local leaders to bring to reality the Arkansas River Project reveals considerable debate regarding the need for an area-wide agency. Evidence indicates early support for a TVA type organization. In 1934, the Arkansas River Committee of the Tulsa Chamber of Commerce recommended an Arkansas Basin Authority but with more limited power than the TVA. The local Congressman, Mr. Disney, introduced a bill (H.R. 3622) in 1935 but did not work for its passage and the effort died.

In 1941, Rep. Clyde T. Ellis of Arkansas introduced a house measure (H.R. 1823) and Senators Carraway and Miller of Arkansas introduced a Senate bill (S. 280) to create an Arkansas Valley Authority. This bill did not pass. In 1942, Senator Josh Lee and Rep. Ellis introduced the same bills. "In 1942 Senator Lee lost his Senate seat to Republican Edward Moore and Ellis failed in an attempt to win the Democratic nomination for Senator from Arkansas." This might be taken as evidence of a lack of support for the project among the people of Arkansas and Oklahoma since no new champions for such an agency arose publicly to replace these men.

In 1945, Rep. John Rankin of Mississippi introduced H.R. 1824 providing for the creation of eight valley associations on most of the major rivers flowing into the Mississippi. This action occurred at about the same time as the creation of the Arkansas Valley Authority Association of Oklahoma. J.L. Haner of Muskogee was the founder and president of this group. Other board members and actives were primarily Muskogee businessmen and a few people from eastern Oklahoma. This group had as its primary aim the creation of a TVA type authority with the generation of power being the principal purpose of the river project. This approach conflicted directly with the aims of both the Corps of Engineers and Newt Graham's Arkansas Valley Flood Control Association.

The much heated debate created by the formation of this Muskogee group indicated that there was at least some support for the idea of such an authority in Oklahoma; however, in the end opinion seemed to favor the Corps of Engineers approach with flood control and navigation having priority over an area-wide authority ended in 1945 and did not again arise until the project was nearly finished.

As the waterway neared completion, concern developed that little effort had been made to plan for the orderly development of the river system. While this concern led to a number of reports and legislative recommendations on the need for bi-state planning and cooperation, formal action to create an organizational mechanism did not take place until early June of 1971. On June 3, 1971, the governors of Oklahoma and Arkansas issued joint proclamations which led to the creation of the Arkansas River Development Corporation (ARDC).

This organization, created by the proclamations of Governors David Hall of Oklahoma and Dale Bumpers of Arkansas, was under the direction of a 9 member board, 3 appointed by each governor and 3 appointed by Bud Steward, Federal Co-chairman of the Ozarks Regional Commission. The purpose of the Arkansas River Development Corporation was to study the needs for orderly development of the Arkansas River Basin and recommend an organization best suited to plan and direct growth.

After 18 months of study the ARDC recommended the creation of a Federal Interstate Compact as the most appropriate institutional arrangement for future development of the Arkansas River Basin. Several reasons were given for making the recommendation for an interstate compact. First, there was already significant Federal presence in the basin in the form of the navigation system and in the Ozarks Regional Commission.

Second, and most importantly a...."compact can be endowed with such powers as the member states deem appropriate."¹³ This statement is significant since it leaves the decision as to the powers of such an agency in the hands of state and local officials and is reflective of the concern that has been voiced over the years about a Federal TVA type of agency. In fact the ARDC considered and rejected the TVA type approach for the Arkansas River.

The recommendations of the ARDC were never acted upon primarily because of political problems in both states. Disagreements occurred between the governors' offices over who would control the staff of the ARDC and the functions of the ARDC. Because of this, it is doubtful that the final report of the ARDC was widely accepted in either state. In addition, when Governor Hall of Oklahoma became involved in a political scandal his effectiveness was undercut and with it the organization he had helped to create. Governor Bumpers ran successfully for the U.S. Senate. Thus, in both states, the governors who helped create this organization were not around to carry out its recommendations.

Thus, other than the Corps of Engineers, there is no agency with the powers to develop plans for the development of the Arkansas River System. Unlike a TVA-type agency, the Corps does not own much of the land along the river. The majority is still held by private individuals. The Corps of Engineers had developed preliminary plans for river development but these have not met with wide acceptance among local leaders. The value of local control of planning and private enterprise development of the river seem to be strong values. It is doubtful that the future will see the creation of an area-wide authority for the entire river system.

ROLE OF STATE GOVERNMENT IN PROMOTING INDUSTRIAL DEVELOPMENT AND USE OF THE WATERWAY

While local communities can develop active programs to encourage industrial development they are constrained to some degree because of limitation on resources and contacts on the national and international levels. An active role by the state government can be of great assistance to the community in making contacts with prospective industrial recruits. This section examines the role of state government and state level policy regarding industrial development of the river system.

In general the activities and policies of state government in Arkansas and Oklahoma differ in organization, commitment to development, support from local organizations and extra community contacts. Arkansas seems to have a more consistent policy and established organizational structure. Support by local leaders for the state agency and its policies appears stronger in Arkansas than Oklahoma. National and international contacts seem stronger in Arkansas. In general, Arkansas seems to be slightly ahead of Oklahoma in state-level activities aimed at industrial development.

STATE LEVEL INDUSTRIAL DEVELOPMENT ACTIVITIES IN ARKANSAS

Activities in Arkansas industrial development by a separate state agency began in the early 1960's when the Arkansas Industrial Development Commission was created. Formerly such activity had been under a state Resources Development Commission that handled many different functions and activities. At the suggestion of Paul Grand, a University of Arkansas professor, Governor Faubus created the AIDC. The Governor wisely selected Winthrop Rockefeller as the agency's first Chairman. While the state appropriated only \$70,000 for the work of the Commission, Mr. Rockefeller raised an additional \$100,000 the first year--some of this was his own money.

Selection of Rockefeller was a very good move on the part of the Governor because the former could command the attention of corporate executives on the national and international levels. When Rockefeller told recruits that Arkansas was a good place to invest money, they listened. He had an entree few others in the state could command. Thus, Rockefeller gave the AIDC contacts with industrial prospects that they otherwise would not have had. Apparently the feeling is that these contacts are still useful today.

Mr. Rockefeller also created the statewide network of Economic Development Districts or Planning and Development Districts. These agencies provided the state AIDC with local contact in the communities as well as a base for getting Federal money needed for industrial development. These organizations also provide local support for the state AIDC efforts in attracting industries to the state. Industrial sites and other information can also be provided by these organizations.

In addition to working with the EDD's, the state AIDC also works closely with local chambers of commerce and industrial development organizations. Contact with such local organizations can prove helpful in attracting prospects by providing local information and assistance in finding a site and securing local financing for capital needs.

The AIDC also produces a wide range of literature that can prove useful to industries as well as a number of valuable services. Profiles of communities are available which provide information on municipal services and taxes, educational facilities, prospective industrial sites, existing manufacturers, transportation facilities, availability of utilities, recreation opportunities and port-use opportunities.

In addition the AIDC states that it has a staff of professionals that will assist in a "reasoned decision regarding our state." Detailed services available are as follows: 1. factual information on every aspect of Arkansas, 2. help to find a site or existing facilities suitable to an industry's needs, 3. arrange for 100 percent financing for buildings and equipment, 4. develop employee training programs to pretrain employees, and 5. after location, provide plant operation consultation.

It should be emphasized that Arkansas has, as a division of the AIDC, the Arkansas Industrial Training Program. Such an organization is an essential part of any industrial recruitment, especially in a state with a labor supply that is not well-trained. This organization can tailor a training program to meet the needs of a specific industry. Training can begin before plant operation so that there is no lag time between completion of construction and operation. In addition the AITP can provide an on-going training program to ensure a sufficient supply of a specific type of skilled labor. Costs for such training are paid for with state funds.

In addition to the activities described above, the AIDC has also worked to establish a foreign office in Brussels, Belgium, in an attempt to establish connections and encourage foreign investments in Arkansas. This should give Arkansas an edge in attracting European investment. In addition a free trade zone has been established in Little Rock to further encourage foreign investments and shipments into the state.

Other aspects of state help in development of the river include the State Free Port Law which exempts goods in transit from local property tax and a state loan guarantee program that can provide up to \$20 million in state guaranteed loans to industries. Both of these state programs are designed to encourage industry to move to the state.

Thus in Arkansas the state has an active and viable program to encourage industrialization. The AIDC works closely with local organizations, provides needed information to industrial prospects, provides vocational education assistance and aids with plant operation assistance after location. The state has also passed laws to encourage free ports and provides limited assistance in state guaranteed loans. The primary failing at the state level has been in not providing much assistance to local communities in the area of port development. Other than the act which allows the creation of local port authorities, little else has been accomplished. As the section on local government indicates, local officials feel that state aid is absent and that local tax laws are restrictive. Several local officials suggested a state program to aid local communities in port construction and expansion.

STATE LEVEL INDUSTRIAL DEVELOPMENT ACTIVITIES IN OKLAHOMA

The level of effort, its consistency, contacts with local communities, contacts outside the state and the organizational mechanism in Oklahoma are considerably different than in Arkansas. There is a state industrial Development Commission which has never gained the status of that in Arkansas for several reasons. First, no director with the status and contacts of a Winthrop Rockefeller has held the position. Secondly, two past directors had been involved in minor scandals which hurt the reputation and status of the organization. Third, support from local organizations and chambers has not been as complete as in Arkansas.

Recent developments at the Industrial Development Commission seem to have started the organization moving. The new director seems an innovative person. An advertising program in European newspapers has been started as well as efforts at containerization. The organization also provides information of a similar nature to that in Arkansas to prospective industrial recruits. Contact with local chambers seem to be improving but is not as extensive as those in Arkansas. Local chambers operate more on their own and in competition with one another. Also, the state system of Economic Development Districts that exists in Arkansas are not as extensive in Oklahoma. Many areas of the state are not under the jurisdiction of an EDD.

Working with the state IDC is the Governor's Industrial Development Team. This organization is a group of businessmen from across the state and representing different interests in the state. They visit industrial prospects and try to encourage them to locate in Oklahoma. Such visits can take the form of either a team or individual effort. Prospects are usually contacted first by a letter from the governor followed by visits. The contact from the governor is helpful since most industries feel they cannot, for courtesy reasons, ignore a request coming from the governor.

In terms of other aspects of state support, industrialization does not seem to have high priority at the present time. The Governor's office indicated that Governor Boren has not made industrialization one of his top priorities. This is not to say that there is any discouragement of industrialization but simply that other programs such as welfare and prison reform have a much higher priority. In addition, there has been little support from the state in the form of guaranteed loans or grants for industrialization. This is in part because of past experiences where industries failed to meet obligations. The state has not been willing to provide industrial revenue bonds because of problems with Federal income tax requirements.

Vocational Education programs in Oklahoma are similar to those in Arkansas but are controlled locally rather than at the state level. Like Arkansas, such organizations will provide training for new industries coming into the state as well as continuing training programs for needed skilled labor.

Thus in both Arkansas and Oklahoma the state programs that exist are primarily aimed at industrialization in general. No specific effort at the state level to encourage river development seems to have been made with the exception that Arkansas seems to emphasize the river in its literature to a greater extent than is true in Oklahoma. The river system is used as one of many factors to encourage industries to move to the state.

NOTES TO CHAPTER 10

1 Advisory Commission on Intergovernmental Relations, Regional Governace: Promise and Performance, Substate Regionalism and the Federal System. Vol. II. Case Studies. Chapter VII. Substate Districting Systems in Twelve States, U-S. GPO, 1973, p. 222.

2 Ibid., p. 233.

3 Ibid., p. 222.

4 Ibid.

5 CAT is jointly funded by Little Rock, North Little Rock and Pulaski County which make up any operating deficits.

6 Metropolitan Area Planning Commission, Little Rock, Arkansas, Comprehensive Development Plan, 1990. February. 1968, p. 26.

7 Metroplan, Industrial Development Plan. HUD Contract/Grant No. CPA-AR-06-07-1033. June, 1975. Title page.

8 The only part of Osage County under jurisdiction of the TMAPC is the land within the extraterritorial jurisdiction of the city of Tulsa, i.e., within five miles of the city limits of the city of Tulsa.

9 Hughes, Emmet John. The Ordeal of Power. New York: Atheneum, 1963 For a complete discussion of the difficulties that TVA has in obtaining local support for its programs see Philip Selznick, TVA and the Grass Roots, A Study in the Sociology of Formal Organizations. New York: Harper and Row, 1949.

10 Settle, Jr., William A. The Dawning: A New Day for the Southwest; A History of the Tulsa District Corps of Engineers, 1939 - 1971. Tulsa Oklahoma; U.S. Army Corps of Engineers, Tulsa District, 1975, p. 32.

11 Ibid., p. 51.

12 Ibid. pp. 51, 52.

13 An Action Program for the Development of the Arkansas River Basin, Arkansas River Development Corporation, 1918 East 51 Street, Suite 7-E, Tulsa Oklahoma. Funded by Contract TA 72012 (Neg) for the Ozarks Regional Commission.

CHAPTER 11

CONCLUSIONS

INTRODUCTION

Throughout the history of the United States, the South has held a unique position, due to the legacies of the ante-bellum period. These included overreliance on a few cash crops, systematic subordination of a racial group, persistent economic backwardness, military defeat, and the untapped potential of human and natural resources. Various statesmen and scholars of the region were convinced that extensive improvement was possible despite the wastefulness of agricultural practices, the subordination of blacks and widespread poverty. Diversification of agriculture, development of natural resources and the growth of industry would change the South from the nation's number one economic problem to a prosperous, dynamic region. The men who believed in the necessity of building a navigation system on the Arkansas River shared this vision of the "New South," the "New Oklahoma," and the "New Arkansas." They refused to accept poverty as incorrigible, and continued to work for the project even in the dark days of the dust bowl and depression. They fought groups at home and in Washington who believed the project was unattainable or that more benefit could be obtained by paving the river bottom.

In the few short years that the navigation system has been operational, far-reaching and even dramatic changes have occurred in the relationships between the regions of the nation. Population growth occurred more rapidly in nonmetropolitan than in metropolitan areas, those in the Northeast and Midwest either have not gained or lost in population while those in the South and Southwest continue to grow. Industry moved in considerable numbers to the South, to take advantage of lower labor costs, a large labor pool replenished by former residents returning home, and the region's abundance of water, minerals, timber and other natural resources. Various amenities also added to the attractiveness of a Southern location, especially the ready access to lakes, rivers, wildlife areas, golf courses and other recreational facilities. The cultural gap diminished as various cities in the South established art centers, museums, theater groups, opera and dance companies and symphony orchestras. The growth in industry and improvement in communities as places to rear children led to changes in long-term migration patterns; the trek from South to North came to a halt and was reversed, for blacks as well as whites. This study concerns the contribution, if any, the McClellan-Kerr Navigation System has made to these trends.

DEVELOPMENT OF THE WATERWAY

The developments discussed in previous chapters, building and enlargement of port facilities, recruitment and expansion of industry, downtown redevelopment, promotion of community tourist attractions among others, should be viewed as an ongoing process of change. The trend was initiated in the early years of the present century, when a handful of men in Arkansas and Oklahoma sought to find some method whereby the historic cycle of flood and drought could be halted, and the abundance of water resources in the river valley conserved and developed. The men refused to consider floods and drought inevitable, and refused to endure both the devastation and the limitations these disasters caused and imposed on the towns along the banks of the Arkansas River. At the time that the first associations were established in each state to promote flood control and water resource development the technology for harnessing major waterways was relatively primitive, relying mainly on levees, which were the responsibility of counties and local communities. Legislative authorization for the construction of large reservoirs as part of a flood control and navigation system was nonexistent. Improvement of the Arkansas River had to await development of both the engineering and legislative know-how. Not until the late twenties and early thirties were these prerequisites for waterway construction available. Convincing the Corps and the Congress that the navigation system would justify the cost of construction by contributing to economic growth and rising levels of living was an equally formidable task. This phase of the development process consumed several decades, and was not completed until Senators Kerr and McClellan were able to use newly gained political influence to mobilize the necessary support in the Congress and the White House.

This study has concerned the second half of the development process the activities of local leaders and groups in eleven communities to use the waterway to attain various objectives. These groups assumed major responsibility for encouraging social and economic change by rejecting various plans for Federal and state authorities which would have had some responsibility for port development and related activities. For the most part, leaders up and down the river valley emphatically insisted on local responsibility. Apart from state involvement in a few important areas such as highway construction, vocational education, promotion of the state and recruitment of industry, most of the tasks and costs of port development have been undertaken by local organizations. Principal proponents of the waterway were conservative in rejecting changes in Federal-local relationships as an accompaniment of the navigation system. They limited the project to technological and environmental innovation. While several of the early backers of the waterway have taken some part in the efforts to use the facility for encouraging local development, such as Glade Kirkpatrick in Tulsa and Emmett Saunders in Pine Bluff, the two phases for the most part have involved different sets of leaders. Actualization of the hopes of the men who pushed the project in the twenties and thirties became the responsibility of younger leaders in the sixties and seventies. The latter have been concerned with the decisions and tasks related to

capital investments and the organizational apparatus for specific developmental activities. The early leaders had to cope with resistance in the Corps and the Congress; new leaders have had to contend with the passage of bond issues, and devising the structural apparatus for managing ports and industrial parks. While many factors are responsible for success or the lack of it, among the more critical are the goals and strategies of local leaders and major interest groups.

THE PROCESS OF CHANGE

Some consequences of waterway development resulted from the actions of individuals in various localities, each of whom responded in a similar way to like conditions. The individuals were able to do so as each controlled the facilities required for the particular response. Some farmers, for example, responded to the decline in the incidence of flooding by converting idle bottom land, which they owned, to farm production. The return of bass to the Arkansas River after the navigation system had been completed made fishing on the River a favorite pastime for thousands of persons, suitably equipped with boats and fishing gear. In stressing more complex reactions to the waterway, it is not suggested that the unmediated types of responses are of minor importance. The use of recreational facilities along the River by local residents and by tourists, for example, has considerable economic and psychological importance.

Long-term economic and social development of the river valley depends on a more complex process of action, involving the establishment or modification of local organizations whose outputs were essential for the growth of industry related to the waterway. Development of these organizations, their structural characteristics and modes of operations, represent in a sense a "first order consequence" of the navigation system. The results of organizational activities in terms of economic and community development can be construed as "second order consequences." The effectiveness of these organizations, such as port authorities, international trade associations, the port operators association, riverfront development organization, also influence the long-term as well as the short-term impact of the waterway.

Another type of first order consequence concerns the modification of organizations of long-standing in the community to undertake activities connected to the waterway, such as the Chamber of Commerce, and industrial development agency, a planning agency. These organizations occasionally supplement the work of port authorities, for example, where the latter lack funds for some activity connected with use of the waterway. On occasion an organization is established, such as the industrial foundation in Pine Bluff, which performs functions both for the port and for the community.

Since organizations are established to accomplish specific purposes, it can be assumed that the goals of local leaders also play an important role in the use of the waterway. More specifically, the analysis has been guided by a means-ends model, which assumes that the degree of emphasis on

development influences the extent and nature of organizational innovation. Leaders modify organizations to achieve certain ends of development. Interviews with leaders up and down the river indicated a broad consensus on the importance of economic and population growth, improvement in level of income as well as the market for locally-owned enterprises. While differences between communities on the general goal of development are minimal, variation development that is preferred.

Several factors seem crucial for understanding the differential responses of the various port cities to the waterway. First, the extent to which communities interested in development have been able to achieve that end by means other than the waterway. In these instances investment in port development and related activities tend to be downgraded in importance. Conversely, communities strongly interested in development which have not been able to progress in this direction will tend to consider the waterway as crucial for goal attainment. These communities can be expected to develop the organizations whose outputs are intended to encourage industrial and population growth.

At first glance it might appear as if these generalizations lead to the conclusion that size of population is a critical determinant of local response to the waterway, that the smaller, to a greater degree, than the larger cities will promote port development and use of the waterway by various types of companies. Two sets of factors influence the importance attributed to and the types of development preferred—one, the city's relations with other communities, two, internal factors. As indicated in the first chapter, rivalry between cities has been a major factor throughout the history of the nation in fostering urban development. The leaders of large cities, as well as small, may still prefer additional growth, when the community is challenged by a rival urban center. This circumstance is especially important for Tulsa and Little Rock. The second set of factors pertain to past development activities, the extent to which the community has the facilities and resources which certain types of companies prefer. Where these are absent, promotional activity by local organizations may prove ineffective. The community context, in other words, influences efforts to achieve growth. Under other circumstances, depending on the type of economic base and economic organizations within the community, considerable resources in terms of health facilities, educational programs, housing and parks, to name a few, may be available.

In summary, communities whose leaders place a high value on economic and population growth, and see the waterway as essential for achieving these ends, will participate in the development and use of the organizations needed to reach these goals. While differences between communities on the general goal of development are minimal, variation exists on the type of development that is preferred.

COMMUNITY RESPONSES TO THE NAVIGATION SYSTEM

The findings presented in previous chapters have been summarized in Table 11 - 1, 11 - 2, and 11 - 3. In the first Table, communities are classified in a general manner in terms of two variables, industrial growth since the early sixties and investment in port and related facilities. The position of the communities in the Table is an approximation due to different dimensions of industrial change and possible differences in rate between the sixties and seventies. In some cases, such as Muskogee, noteworthy changes may have taken place since field work ended in the middle of 1976.

Table 11 - 1 indicates that Fort Smith and Muskogee represent contrasting responses to the waterway. Fort Smith has achieved considerable industrial expansion for almost twenty years despite minimal investment in port facilities. Clearly, as indicated in Chapter 7, the navigation system has been a minor factor in that city's expansion. For a city of 40,000 Muskogee residents have made a sizeable investment in port facilities. However, as of the middle of 1976, little progress in industrial growth had been achieved. This situation will change as the manufacturing facility for Fort Howard Paper Company nears completion at the port. Nevertheless, as indicated below, it would be a mistake to assume that the navigation system has had little impact on that city.

Tulsa and Pine Bluff resemble each other in that relatively large investments in port development are associated with modest industrial expansion. Of the five cities with public ports, Tulsa has made the greatest investment of public funds, more than 21 million dollars. By the middle of 1976, several large plants manufacturing equipment that is shipped on the waterway had located at the port's industrial park, a circumstance that did not exist at Little Rock. A situation similar to Tulsa existed at Pine Bluff. In contrast, the plants at the Little Rock port did not use the waterway for the transportation of materials. The waterway to a large degree facilitated shipment of bauxite to the aluminum producing plants in the Little Rock area.

The Table indicates in a general way that the importance attributed to the navigation system by local leaders varied with the degree to which industrial growth was desired and the extent to which that objective had been attained by other means. Had the closing of Fort Chaffee been delayed by five to ten years, the reaction of Fort Smith leaders to the navigation system might have been quite different. Given the fiscal and territorial limitations under which Fort Smith must function, the attainment of extensive industrial expansion since the early sixties signified that the community did not need a large, well equipped port. Since the city was the dominant center in a multicounty area, due in part to Muskogee's difficulties in achieving growth, Fort Smith was unchallenged in this large area. The absence of external competition combined with a sizeable rate of growth at the time the waterway was completed led to reliance on more traditional forms of transportation. These circumstances played a major

TABLE 11 - 1

DISTRIBUTION OF PORT CITIES BY INVESTMENT IN PORT DEVELOPMENT AND INDUSTRIAL GROWTH

INVESTMENT IN PORT DEVELOPMENT			
INDUSTRIAL GROWTH	High	Medium	Low
High	TULSA		FORT SMITH
Medium		PINE BLUFF LITTLE ROCK	
Low		MUSKOGEE	

TABLE 11 - 2

DISTRIBUTION OF PORT CITIES BY INVESTMENT IN PORT DEVELOPMENT AND ORGANIZATIONAL SPECIALIZATION

ORGANIZATIONAL SPECIALIZATION	INVESTMENT IN PORT DEVELOPMENT		
	High	Medium	Low
High	TULSA		
Medium		PINE BLUFF MUSKOGEE LITTLE ROCK	
Low			FORT SMITH

TABLE 11 - 3

DISTRIBUTION OF PORT CITIES BY INVESTMENT IN PORT DEVELOPMENT AND COMPREHENSIVENESS OF GROWTH MANAGEMENT PLAN

COMPREHENSIVENESS OF GROWTH MANAGE- MENT PLAN	INVESTMENT IN PORT DEVELOPMENT		
	High	Medium	Low
High	TULSA		
Medium		LITTLE ROCK PINE BLUFF	FORT SMITH
Low		MUSKOGEE	

role in the decisions to invest a modest sum, a million dollars, in port development and to construct a small port with little or no land for an industrial park.

Muskogee and Pine Bluff represent the opposite situation, being cities which had achieved little expansion at the time the waterway was built. Leaders of both cities sought to make major changes in the traditional pattern of area development. In the case of Muskogee, a younger generation of leaders consciously sought to change the policy of stability established by the preceding generation of leaders, which had left the city with a declining business district, extensive decay and a history of intergroup conflict. Although many leaders agreed that the waterway represented the city's best chance to grow, consensus on the means, and the investment in port facilities, was more problematic due to the fiscal difficulties caused by a static tax base and mounting needs. Members of the port authority fell back on a third party, from the private sector, to bear the brunt of port development, an arrangement which has been a source of serious misunderstandings. Factors internal to the community, in other words, have been largely responsible for the relative lack of progress in converting the port and navigation system to assets for industrial growth. However, by encouraging changes in leadership goals and policies, the waterway has been a major source of social change.

The situation in Pine Bluff is quite different, due to greater consensus among leaders on the importance of the waterway for growth and the willingness to invest sizeable amounts of public and private resources to achieve that end. This is illustrated by the participation of local banks in the purchase of three bond issues offered by the port authority; while in Muskogee the banks on occasion refused to finance various port improvements. Partly due to location in the midst of a productive agricultural area and partly due to the aggressiveness of port management, tonnage at the Pine Bluff port has far outdistanced that of the other port cities, including Tulsa. Industrial growth at the Pine Bluff port should continue for some time to come.

The influence of competition with nearby cities on these changes in Pine Bluff is difficult to estimate. Given the response of Little Rock leaders to the navigation system, Pine Bluff leaders may have believed in the existence of a solid opportunity to become a major industrial center in southeast Arkansas. A willingness to compete with Little Rock also was manifest in the effort to increase tourist and convention trade by constructing a large and expensive convention facility, 40 miles from Little Rock, in a dry county.

Differences between Little Rock and Tulsa in reaction to the navigation project can be explained partly in terms of relations with nearby cities and partly in terms of each city's history. Little Rock's historic preeminence in the state as a center of government, trade and the arts has imparted a middle class, refined character to the city. This is manifest also in the strong interest in historic preservation, an area in which the city may well be among the leaders in the nation. Consequently,

there is ambivalence, if not concern, as to the changes which extensive industrialization might bring to the community, concern over loss of a valuable identity and acquisition of the characteristics of a blue collar community. Hesitance over using the navigation system to stimulate industrial growth does not derive, as in the case of Fort Smith, from the ability to sustain a high rate of expansion of this sector of the economy. It derives mainly over a desire to preserve certain features of the community considered valuable and likely to change if industry grows rapidly. There is little sentiment among Little Rock leaders comparable to that in Tulsa, for example, to increase the proportion of the labor force engaged in manufacturing. Growth in manufacturing should keep pace with the growth of population. Hence, the port authority has not been given the resources needed to promote development and the industrial park has attracted industry that does not use the waterway. Very little effort is made to educate the public on the importance of the navigation system. The failure of the system to gain a strong following among the public also is indicated by the absence in the community of any companies using "port city" as part of its name. Each of the other four port cities has several, and Tulsa has seventeen companies so named.

Since Tulsa, although younger by many decades than Little Rock, had grown rapidly during its relatively short existence, one might anticipate a reaction to the waterway similar to that in Little Rock--let's not risk losing our identity. In contrast, there is considerable consensus among local leaders on the need for additional growth, especially in the industrial sector. The explanation lies partly with external conditions, the longstanding rivalry with Oklahoma City, to which Tulsa is subordinate in governmental functions, but seems its equal or near-equal in banking and superordinate in various areas of economic activity, especially energy and heat transfer. To keep abreast or ahead of Oklahoma City in population size and economic growth seems both cause and effect, a factor of concern to local leaders and community sentiment that can be used to gain support for growth policies. Possibly of greater importance, is the skill of leaders in both the public and private sectors to link the goal of industrial growth with several other important goals, so that each is mutually supportive of the other. We refer to the effort to protect the land values in the central business district, an important source of tax revenue for local government, by redirecting the traditional pattern of spatial growth for the metropolis. It is hoped that developing a major center of industrial employment in the far north and continued support of the port and its industrial park to the northeast will encourage residential growth in the northern half of the city. Diverse interests depend on the success of this "growth plan," including The Williams Companies, whose decision to invest in a downtown development plan encouraged bold action by the mayor and his allies in the business community. Strong emphasis on industrial growth combined with a belief in the salient role to be played by the navigation system has led to continued high level of support for the port and its administrative agency. This level of support is consistent with the strong leadership Tulsa men provided for construction of the system for many years.

THE NAVIGATION SYSTEM AND ORGANIZATIONAL CHANGE

As indicated above, the emergence of organizations, staffed by specialists and local leaders, whose mission involves the use of the navigation system directly or indirectly to foster expansion signifies an important "impact." The outputs of these agencies vary from industrial parks with all the facilities needed by various types of manufacturing establishments to agencies which advertise far and near the advantages of the community to tourists and industrial prospects. The general proposition examined in this section contends that the degree of organizational innovation and specialization is dependent on the importance attributed to growth and on the navigation system as playing a major role in achieving that end. Both are indexed by the degree of investment in port facilities.

Table 11 - 2 summarizes the changes in the communities concerning organizations involved in development. The complexity of the changes renders classification difficult, since innovation on one parameter may be accompanied by stability on another. For this reason placement in the Table should be construed as approximations, especially for communities that do not have extreme positions.

The least amount of organizational change seems to characterize both Fort Smith and Little Rock, despite differences in rate of expansion of the industrial sector in the past seventeen years. Fort Smith has achieved extensive growth with a minimal number of new organizations. The industrial foundation has been relatively inactive for a number of years and development of industrial parks has been left mainly to organizations in the private sector. Nor does the community have an agency to publicize the advantages of the area, apart from Bonanza Land, the promotional agency for the seven county tourist region. Most, if not all, of the development activities are handled by staff members of the Chamber of Commerce, with the help of the Arkansas Industrial Development Commission. Nor has the port authority played a vigorous role in development activities, as no staff is available for this purpose.

Somewhat more specialization has developed in Little Rock, indicated by the port authority's recent initiation on a part-time basis of an industrial recruitment program. An association of businessmen interested in international trade and members of the international trade departments of local banks also offer support for the navigation system. As in the case of Fort Smith, however, development of industrial parks and related facilities have been delegated to the private sector. The task of promotion has been assigned to a New York public relations agency for three years, funded by members of the Chamber of Commerce. A special organization has not been established within the community for this purpose. It is important, however, to take note of the fact that several special purpose organizations play an active role in Little Rock concerning various redevelopment functions--for the downtown mall, historic

preservation and inner city improvement. This is further evidence for the belief that, at present, more emphasis is given to improving existing neighborhoods and facilities than for encouraging additional growth.

The waterway, on the other hand, has contributed strongly to the specialization of organizations for development in Tulsa. The port authority, for example, provides funds sufficient to employ a person full-time to recruit industry. Several local banks, as in the case of Little Rock, established international trade departments. An organization of businessmen whose companies have an interest in international trade also has been operational for a number of years. Tulsa leaders have relied heavily on special purpose organizations for various functions concerning development and economic growth. Three nonprofit organizations have been established over the years, under enabling legislation, to perform various development activities including an agency to use the funds obtained from the hotel/motel tax to promote the city. As in the case of Little Rock, a New York public relations firm was employed to direct this campaign. An organization also has been established to assume direction of efforts to develop a recreational area along the Arkansas River, near the central business district, a matter taken up below. Another organization has the responsibility for developing the pedestrian mall. From an organizational standpoint, the emphasis on new development seems balanced by the effort to improve existing facilities.

One would not expect either Pine Bluff or Muskogee, as smaller cities, to engage in extensive promotional activity or international trade. Neither city has an agency other than the Chamber to perform these functions. Both have an industrial development organization established as a public or quasipublic agency, The Greater Muskogee Development Corporation and the Jefferson County Industrial Foundation. The latter is unique among the port cities inasmuch as the director serves in a similar capacity for the port authority. This combination of duties has been beneficial for Pine Bluff due to the abilities of the incumbents. The separation of functions in Muskogee has been less advantageous due to various misunderstandings which occurred in recent years between port authority members and representatives of The Williams Companies responsible for managing the port.

THE NAVIGATION SYSTEM AND CONTROL OF GROWTH

The experiences of cities in the older regions of the nation indicate that the period of growth and rising levels of living may be short-lived, that loss of industry, a shrinking labor force and growing unemployment may come to pass. For this reason, it is important to examine the efforts underway in the port cities, despite smaller size and, in some cases, greater youth, than cities in the more industrialized areas, to control growth. Development and implementation of growth management plans may enable the cities to sustain, for a longer period of time, suitability as centers of production and distribution and to forestall the decline that

has overtaken some of the nation's proudest cities. If this can be accomplished, the waterway should have greater impact than if the cities fail to cope with incipient decay. Table 11 - 3 summarizes the responses of the port cities and shows that the larger cities have taken the lead in developing growth management strategies. Population size seems more important in this respect than commitment to port development.

Tulsa leaders have developed an ambitious growth plan which seeks to coordinate changes in several different areas and to modify several features of the metropolis. While Little Rock's strategy has many but not all the elements present in the Tulsa plan, the degree of coordination is less. Nor does the Little Rock plan seek to alter prevailing patterns of spatial growth. The Fort Smith strategy, embraced by the next largest urban center among the five port cities, contains fewer elements and a lesser degree of coordination than that in the Little Rock plan. Pine Bluff resembles Fort Smith in these respects, but has adopted a somewhat different method for plan development, with leaders of Muskogee, smallest of the five cities, concerned mainly with expanding the economic base, little attention has been given to a plan for managing growth. There seems to be, however, a growing awareness of the need for improving the central business district.

The Tulsa growth management plan combines at least four different programs and sets of objectives. These include first, changing the area spatial structure from a less to a more symmetrical pattern by reducing the rate of growth to the southeast and increasing northward expansion; second, strengthening the functions of the central business district; third, increasing the residential population in the downtown area and fourth, expanding the industrial sector of the economy. The latter goal is the centerpiece of the growth plan, since it is the key to northward growth and the effort to increase the c.b.d.'s accessibility to residents of the metropolis. Associated with this goal are the various projects for physically and aesthetically improving the c.b.d. and its functions for the metropolis.

The various phases of downtown redevelopment tend to complement each other. These involve the office-hotel complex developed by The Williams Companies, which includes the newly built Center for the Performing Arts, financed with both public and private funds. Dozens of retail stores are to be added at a later time. A second project concerns the pedestrian mall which links the Williams Center and the civic center complex by way of major downtown streets. Development of a riverfront recreation area near the civic center is an ambitious third project, whose completion probably will require a municipal bond issue. The area, when finished, will offer recreational, boating and dining facilities, cultural activities in the form of a museum and various types of artistic performances in the proposed amphitheatre.

The proposal for a riverfront park seems to be a direct result of construction of the navigation system. Through the publicity which the latter received, Tulsa inhabitants became much more conscious of the

Arkansas River. This was further strengthened in the early seventies when management of a local radio station promoted the idea of a raft race on the river on Labor Day. Turnout was so great that the race became an annual event. Success led to consideration of much wider use of that portion of the river which is near the downtown area.

Completion of the riverfront park will more closely tie Tulsa to the river since it will be widely used by inhabitants and will change the cityscape in the downtown area. The contribution of the navigation system to the local economy, in contrast, has been recognized by relatively few residents. The park development also will offer the city a new vista, one which links the Arkansas River and the downtown cluster of office buildings. This physical change also may modify the image of the city held by both residents and visitors. The park also may increase Tulsa's national visibility.

A fourth phase of the management plan takes advantage of the improvements in the downtown area by seeking to persuade persons and couples to live nearby in an assortment of apartment complexes. If successful, this phase of the plan should strengthen the retail activities of the c.b.d.

Little Rock leaders, on the other hand, do not presently contemplate an attempt to modify the prevailing trend of growth to the northwest and southwest. Greater emphasis is placed on finding ways to meet the needs of both older and newer neighborhoods, located in different areas of the city. Considerable attention, however, is devoted to upgrading the central business district. An effort similar to Tulsa is underway to link physical and functional improvement with a riverfront park. The latter, however, still is in the planning stage but development of a pedestrian mall on a major thoroughfare has begun. It eventually will link the riverfront park to MacArthur Park, thus enhancing the downtown area as a residential neighborhood.

The various changes designed to upgrade the central business district and provide activities which will bring larger numbers of people to the area both during the day and night are similar to those underway in Tulsa. The various elements, however, have not been tied together in a long range plan. Two other elements are absent, the effort to modify the spatial structure of the metropolitan area and to expand the industrial sector of the economy.

The efforts to cope with the negative consequences of growth in Fort Smith are in an early stage of development and mostly concern the central business district rather than the metropolitan area. The principal thrust is to encourage use of the district's facilities to maintain property values and tax revenue for local government. The current effort has two main concerns, strengthening the area as an employment center and a tourist attraction through improvement of historic sites. Little or no attention has been given to the possibility of connecting these downtown improvements to a riverfront park for the metropolitan area. The presence of an

incorporated municipality on the north side of the river makes it difficult, if not impossible, to openly discuss the possibility of encouraging industrial expansion in that direction to improve the accessibility of the downtown area. Whether or not this strategy will receive serious consideration remains to be seen.

Concern for downtown improvement has coalesced to some degree in Pine Bluff. Relocation of the railroad tracks which run through the business district, a problem which does not exist in the other port cities, has received considerable attention since it is a source of considerable expense to travelers and businessmen. A final decision on relocation awaits the findings of a Federal study. Interest in other areas of change has progressed to the point that an organization for downtown redevelopment has been established. This association differs from those in the other port cities which usually are dominated by or consist solely of business interests. A coalition has been established consisting of diverse groups, including conservation, historic preservation, downtown business interests, the local University and a working class organization. Initial indications suggest a concern for improving the neighborhoods of the inner city along with strengthening of the business district.

While there is an awareness among many Muskogee leaders that the downtown business district needs improvement, little had been done at the time of writing. The city is in an advantageous position in at least one respect, relative to the other port cities. Land is available for encouraging residential development in areas closer to the port. This change would improve the business district's accessibility in the urban area and strengthen property values.

Finally, note also should be taken of the degree to which specialists have been used by local government and local leaders in developing strategies for coping with the various problems created or aggravated by population and economic expansion. Greater use of experts occurs in the cities which have attempted to formulate comprehensive, long-run plans, Tulsa and Little Rock. The staffs of the planning commission, the research department of the Chamber of Commerce and outside firms such as Fantus have provided most of the data and ideas that have been used for developing the Vision 2000 land-use plan. The principal inputs in Little Rock have come from the growth study made by Booz, Allen and Hamilton, and the public discussions which their recommendations provoked. Since the use of technical experts is expensive, as indicated by the \$50,000 cost of Little Rock's growth study, few of the smaller cities use this strategy unless financing can be arranged through an outside agency, such as the Ozark Regional Commission. Fort Smith leaders were able to obtain a modest study of the downtown area by a team of architects who spent about a week in the city prior to writing their report. At the time of writing, Pine Bluff leaders have not relied on any large-scale study of the downtown area, other than the one on relocating the railroad tracks. More emphasis has been given to discussion of various aspects of the inner city by leaders of different interest groups. Little action of any kind has occurred in Muskogee concerning downtown redevelopment.

GROWTH AND LEADERSHIP

A commitment to economic and population growth has consequences for leadership as well as for other areas of community life which various influentials may not recognize. Whatever benefits growth may bring for a less developed region of the nation, the number of problem areas and the rapidity with which they become manifest tends to increase considerably, due, in part, to the increasing diversity of population and social structure. An effort will be made in this section to suggest the kinds of situations with which various leaders and interest groups must learn to cope if growth is to be orderly and to provide benefits for inhabitants which outweigh the liabilities. Established procedures should be developed to monitor the changes occurring in the area in order to facilitate identification of potential problems at a relatively early time. Contingency plans can be prepared prior to the occurrence of a crisis or emergency. While simple to state, this proposition requires a certain state of mind on the part of governmental and community leaders, namely a willingness to "stay on top of the situation," to keep informed of development and, equally important, a readiness to act when the situation demands it. A growing city changes rapidly. The aggravation of old and the emergence of new problems are normal occurrences. Hesitancy to act prudently in relation to these matters, a preference for delay, the hope that time alone will solve the problem may lead to further deterioration and increases in public concern if not in the scope of conflict. The routine, customary procedures that are effective in a stable community may not work well in a growing city.

Second, leadership, both political and economic, should anticipate increasing competition for power and influence. The younger executives in the companies that recently moved to the area may challenge the older leaders in the Chamber and other business organizations. The "locals" in other community organizations, church groups, service clubs, country clubs, and political associations can expect "newcomers" to compete for offices and leadership positions.

Third, in the economic sphere, where new companies compete with the established concerns for certain categories of workers, labor costs may rise. Certain types of plants also may increase the likelihood of unionization. Local business leadership will need to decide the preferred ratio of costs to benefits on these and related matters.

Fourth, in terms of community action, risk taking will be required in an increasing number of instances. Efforts to substantially improve certain problem areas, such as expansion of water supply and deterioration of the downtown, will require sizeable sums of capital, not all of which can be obtained from higher levels of government. A capacity for boldness in action and for accepting complex plans of action will become more important as the community grows in size and specialization.

Fifth, coordination will become a major activity of many leaders. The increasing number and complexity of problems will lead inevitably to specialization of government agencies and of local leaders as an organizational response. To avoid jurisdictional disputes, delays, and excessive conflict, a considerable investment will be required in efforts to work out compromises between and to adjust the objectives of various agencies or leadership groups. A vital aspect of coordination involves the participation of various community groups, representative of minorities and the working classes, that may not ordinarily take an active part in decision making on local problems. Since large and expensive plans usually require taxpayer support in the form of bond issues, increased user charges, or in acceptance of changes that may have some adverse effects on a neighborhood, public involvement becomes important. Great skill and forbearance will be required of community leaders who seek to broaden the base of participation and thereby increase the potential for dissensus on plans for action.

TRENDS OF DEVELOPMENT

In the light of the changes which have taken place in the few years that the navigation system has been operational, what may be anticipated in the next five to ten years? Certain facts are clear and significant. To date, two port cities at opposite ends of the waterway, Tulsa and Pine Bluff, have experienced the most substantial development of activities concerning water-borne commerce. A third city, Forth Smith, has chosen not to emphasize the use of the waterway to encourage the growth of industry and a fourth, Little rock, seems to have lessened the prospect for such development through a policy which permits industry to locate near the port whether or not it will use water transportation. Port development in the fifth city, Muskogee, seems mired in conflict between the port authority and the private agency responsible for port management and development.

These circumstances would not be serious, given the short time in which the waterway has been operational, if some of these conditions were easily reversed. The analysis in Chapter 7 indicated the reasons that Fort Smith leaders are not likely to promote the growth of industry requiring barge transportation for their city. The rapid and continuing expansion of industry oriented toward more conventional transportation modes has taxed the capabilities of local institutions. A case also can be made for seeking firms which require more white collar than blue collar employees and reducing dependency on manufacturing.

The leaders of Little Rock do not seem to have reached a consensus at present on the desirability of expanding industry and the ideal proportion of the labor force to be employed in manufacturing. There is considerable concern for maintaining the traditional balance of functions to preserve the city's dominance in the state as political, trade and cultural center. The middle class character of Little Rock, which derives from the

importance of these functions, also operates to constrain efforts to expand industry. If this analysis is correct, we do not anticipate any strong move to change the port authority's policy on allowing plants in the industrial park which do not use the waterway. Nor do we anticipate a greater emphasis on industrial expansion.

The situation in Muskogee is more fluid and subject to considerable change over the next few years. Acquiring Fort Howard Paper company has strengthened the leaders and agencies committed to economic growth, and provided assurance that the goal of expansion can be reached. The indications of growth and change which will become increasingly evident when the company's facility becomes operational can be used to attract other manufacturing concerns. These efforts will be further boosted if the difficulties between the port authority and the firm managing the port can be resolved or compromises reached. We anticipate considerable growth of industrial activity at Muskogee's port in the coming decade.

In their efforts to persuade key government leaders to authorize construction of the waterway, various local supporters of the project predicted that steel, chemical and other manufacturing facilities would be built along the Arkansas River. The area would become the "Ruhr Valley" of America, it was said. Our analysis casts doubt on the accuracy of this prediction, based on examination of the five urban areas with public ports. Three of these five cities should continue to promote the growth of industry directly using the waterway. Additional growth can be expected if industry in all five cities should continue to promote the growth industry in all five cities which benefit from freight-rate reductions. Help also will be provided by communities with private ports, e.g., Van Buren, Russellville-Dardanelle. Since the potential resources for encouraging development in Little Rock and Fort Smith are considerably greater than those available in the smaller cities, the inability to do so should slow down if not retard the rate of development and commerce on the waterway. The long term consequences of these circumstances could be serious since development, in some respects, is a collective enterprise. The introduction of containerization on the Arkansas River, for example, depends to some degree on the ability to carry freight on both inbound and outbound trips. The prospects for so doing improves as the number of plants increases in the five cities which use water transportation. This state of affairs also contributes to reductions in the fees charged by carriers which also will stimulate growth. Under the circumstances, consideration might be given to the possibility of building ports in some of the smaller cities to take up the slack created by conditions in Fort Smith and Little Rock.

The waterway has encouraged considerable shipment of agricultural products, a trend which should increase in the next few years at both private and public ports. The long-term trend, however, may be greatly influenced by implementation of the chloride control program. Success of this program will greatly increase the supply of potable water, thereby increasing the feasibility of water transfer to the high plains of Oklahoma, Kansas, Texas, and New Mexico. It does not seem unrealistic to

suggest that continued farm productivity in these areas should increase shipments of grain on the Arkansas River.

Changes on the national level also will influence the long-run development of the waterway. The imposition of waterway user taxes, increasing use of coal, continuing shortages of natural gas, marked changes in the normal pattern of rainfall, will affect the economies of the various cities and the development of various natural resources in the two states. Future use of the waterway will not be determined solely by the degree to which industry expands in the port cities.

POLICY RECOMMENDATIONS

On the basis of this analysis, what recommendations can be made on the criteria that might be used to select construction projects that should and should not be built? Many benefits of a construction project do not occur automatically, but are the consequences of the activities of various institutions, organizations and leadership groups. A complex organizational apparatus often serves as the "means" or instrumentality whereby the desired results are produced. The criteria for selecting projects should include features of this apparatus, for it conditions the use made of the project. A second set of factors concerns the community context, the features of the community which influence the development and operation of the organizational apparatus. This dimension will be considered first.

A careful attempt should be made to assess the ideas of principal leaders on the preferred directions of development. This should be supplemented by an analysis of recent patterns of development, especially of the economy, to determine the degree of compatibility between the changes anticipated from the project and those presently occurring in the urban area. A related question concerns the possibility that leaders intend or have in the past been able to achieve certain development goals by use of means other than the proposed project, and that the latter in effect will be superfluous. Evidence that the project is not needed in a community should be used to lower its priority rating.

Assuming that the answer to the above questions is affirmative, attention should focus on the capabilities for establishing and managing the organizations essential for accomplishing the desired results. The discussion of the difficulties encountered in several port cities indicated that the transformation of a land-based to a port city is not a simple operation. Where a particular project will result in complex changes, a close look should be taken at the factors in an area that will influence the degree of success. The past record of achievement in this instance seems to be a useful indicator of future performance. Two factors should

be examined, what has and has not been done, and the characteristics of personnel in key positions.

Do the leaders of a community have a record of contributing sizeable inputs to projects similar to the one under consideration? A similar question should apply to organizations such as the Chamber of Commerce, industrial development agencies, promotion councils, planning bodies, and city government. To what extent have these organizations demonstrated abilities to initiate and complete undertakings of importance to the community, especially those in areas comparable to the one under consideration?

The credentials of persons in key offices and the degree of support which they possess also can be considered indicators of potential for development. The past management record of these persons, whether they have kept abreast of developments in their field, the availability of specialists on the staff of the organization also indicate the potential for carrying out ambitious projects.

One warning must be introduced. Consideration also must be given to those communities, especially smaller towns and cities, which in the past had been static but now seem committed to change and development. These communities will fare poorly on many of the criteria. This should not eliminate the communities from serious consideration if there is evidence that local leadership is strongly committed to use of the desired facility for local ends. The deficiencies in organizational know-how may be overcome through experience, assistance from extra-local agencies or both.

In conclusion, three questions need to be answered in deciding whether a project should be built in or near a community, apart from matters concerning financing and environmental impact. These are, first, is the project needed or can the ends be attained by alternative methods; second, does the leadership as a whole desire the project; and third, do the various organizations have the resources and capabilities required for using the project to attain the desired ends?

Consideration also ought to be given to establishment of some form of contractual obligation on the part of local leadership where a sizeable investment will be required to supplement that made by the Federal government. The records indicate that only Pine Bluff leaders, for example, through a consultant, made such a commitment in an open meeting, which was duly recorded in the transcript. Various organizations in Tulsa can be construed as having made such a commitment, albeit tacit, through the sizeable investment which had been made over the years to obtain the navigation project. As far as known, however, no formal agreement was required of local representatives on the community contribution to development prior or after funds for the navigation project had been appropriated. A highly specific and detailed document may not be needed. Where the actions to be performed by local groups are complex and extend over a long period of time, it may be impossible to know five or ten years in advance what facilities should be built. In the long run, a highly

detailed agreement whereby local officials pledge to take the actions necessary for proper use of the facility provided by a Federal agency may be more advantageous. An explicit commitment will have been made which would be binding not only on the persons who signed it but on members of succeeding administrations. When critical decisions are to be made, local officials can be reminded of the obligation to take appropriate action. Community pride and honor is at stake, if nothing else.

While it is difficult if not impossible to indicate precisely the "impact" of the waterway, certain tentative conclusions can be offered. A positive contribution to the river valley has been made through the increase in leadership confidence which resulted both from the reduction in losses from floods and drought, from availability of water transportation and reduced transportation costs for certain commodities. The boost in leader confidence stimulated efforts to improve the communities as manifest in port development, industrial recruitment efforts, growth management plans and upgrading of the inner city. The navigation system also has made the Arkansas River an asset in plans for restoring the central business district as a multifunction area--administrative, recreation/cultural and even residential. The river will become the locale for activities which enhances the usefulness of the c.b.d. While this will prove to be a major unanticipated benefit, development has lagged in the area which had been expected to grow rapidly. The growth of industry directly using the waterway has been slow, due in part to the difficulties in developing suitable facilities at several ports. The decision to develop a small port in Fort Smith, a major industrial center, the organizational problems in Muskogee and Little Rock, have held back development in this area. Considerable improvement should occur in the latter two ports but little change is likely in Fort Smith in this regard.

The study also revealed the need for much more information on the impact of freight rate reductions for the river valley economy, and for some type of organizational apparatus whereby local groups, such as port authorities, can obtain the guidance of experts or other forms of assistance. The responsibility of the states for providing help should be looked at closely. Much more also needs to be learned about factors responsible for corporate resistance to use of water transportation and on the ways by which it could be overcome. Finally, assessment of MKNP also would be aided by systematic comparison with the development of other waterways such as the Tennessee, Ohio and Missouri rivers. Comparison would provide better benchmarks for appraising development or lack of development along the Arkansas River.

APPENDIX 1

LEADER IDENTIFICATION LETTERS
INDUSTRIAL RECRUITMENT LETTERS

TEXAS A&M UNIVERSITY

COLLEGE OF LIBERAL ARTS

COLLEGE STATION, TEXAS 77843

Department of
SOCIOLOGY AND ANTHROPOLOGY

CHAMBER OF COMMERCE

Dear Sir:

The Institute for Water Resources has granted us funding for a study of the social impact of the McClellan-Kerr Arkansas River Navigation System on the communities in close proximity to it.

In order to determine how the System has altered or failed to change its geographical area we hope to interview knowledgeable leaders including yourself. I am writing to you to request your assistance in assembling a list of names of your members or others who were active or knowledgeable concerning preplanning of the System and post-construction development, use, planning. I shall be most grateful for their names, addresses, and telephone numbers.

I'm sure I need not indicate to you how effective a barometer of the socioeconomic well-being of its community the Chamber of Commerce has proven to be. Thank you for your assistance. We shall be delighted to keep you informed of our progress.

Sincerely,

Albert Schaffer, Ph.D.
Professor and Project Director

AS:rc

TEXAS A&M UNIVERSITY

COLLEGE OF LIBERAL ARTS

COLLEGE STATION, TEXAS 77843

Department of
SOCIOLOGY AND ANTHROPOLOGY

BANK

Dear Sir:

The Institute for Water Resources has granted us funding for a study of the social impact of the McClellan-Kerr Arkansas River Navigation System on the communities in close proximity to it.

In order to determine how the System has altered or failed to change the area through which it is located we hope to interview knowledgeable leaders including and especially members of the banking community. There is little doubt that bankers support and develop those community and area projects which will benefit and enhance their communities. I'm sure I need not indicate to you how effective bankers are as barometers of the economic health of their communities. Since use of the System must have local interest and economic support the role of the bank becomes even more crucial.

I am writing to you to request your assistance in assembling a list of names, addresses and telephone numbers of your own officers and/or board who were active or knowledgeable concerning preplanning and support of the System and its later use. If you know other community leaders who played or are playing a part in the development of the use of the System I will be most grateful for their names and addresses.

Thank you for any assistance you are able to offer.

Sincerely,

Albert Schaffer, Ph.D.
Professor and Project Leader

AS:rc

TEXAS A&M UNIVERSITY

COLLEGE OF LIBERAL ARTS

COLLEGE STATION, TEXAS 77843

Department of
SOCIOLOGY AND ANTHROPOLOGY

NEWSPAPER

Dear Sir:

The Institute for Water Resources has granted us funding for a study of the social impact of the McClellan-Kerr Arkansas River Navigation System on the communities in close proximity to it.

In order to determine how the System has altered or failed to change the surrounding area and whether it has or has not lived up to local expectations, we hope to interview knowledgeable leaders including yourself.

To facilitate this research it would be helpful if we could review articles which may have appeared in your newspaper before the System was completed and in the years which followed. I am writing to ask your assistance. Does your paper keep a file on the System? If such a file is kept could we review it? And, last, if a file does exist and we may review it, is there a way that copies of articles could be made?

We shall appreciate any assistance you are able to give or any suggestions that you are able to make. I shall be delighted to keep you informed of our progress.

Sincerely,

Albert Schaffer, Ph.D.
Professor and Project Director

AS:rc

TEXAS A&M UNIVERSITY
COLLEGE OF LIBERAL ARTS
COLLEGE STATION, TEXAS 77843

Department of
POLITICAL SCIENCE

COG, CITY OFFICIALS

Dear Sirs:

The Institute for Water Resources has granted us funding for a study of the social impact of the McClellan-Kerr Arkansas River Navigation System on the communities in close proximity to it.

To determine how the System has altered or failed to change the area through which it is located, we need information from local government officials. I am writing you to obtain information regarding activities or plans which your city has developed or is developing to encourage development.

Any information (such as programs to attract industry, Federal grant applications, or other documents which might indicate long range planning or general policies which encourage development) which you could supply would be most helpful.

Sincerely yours,

Gary M. Halter, Ph.D.
Assistant Professor

713/845-3611

GMH:jb

TEXAS A&M UNIVERSITY

COLLEGE OF LIBERAL ARTS

COLLEGE STATION, TEXAS 77843

Department of
SOCIOLOGY AND ANTHROPOLOGY

INDUSTRY

The Institute for Water Resources of the Corps of Engineers has granted us funding to study the socioeconomic impact of the McClellan-Kerr Arkansas River Navigation System on the communities in close proximity to it.

To determine how the System has altered or failed to change the area, we are attempting to secure information on factors influencing recent location of plants along the river. Would you please indicate the importance of the following factors on the locational decision of the plant(s) listed above:

1. Present or future need to use the waterway to transport raw or manufactured materials?
2. Location along the river was incidental to other factors, such as access to highways, availability of land, acceptable railroad freight rates which might have been lowered to be competitive with barge transportation.
3. Use of water transportation in history of organization.

Were other factors more important in plant location than those specified above? If you can highlight the decision-making process in an illustrative manner, we will be most appreciative.

Thank you for your assistance.

Sincerely,

Albert Schaffer, Ph.D.
Professor and Project Director

AS:jb

APPENDIX 2

INTERVIEW GUIDE

McCLELLAN-KERR ARKANSAS RIVER NAVIGATION PROJECT

Interview Schedule/Guide

Part I

1. Please tell us about the development of the project, how the navigation system came to be built. We are especially interested in the work you did to make the project a reality.

- Probe:
- a. major leaders and leader roles and interrelationships
 - b. Basin Development Committee, Bi-state Committee
 - c. Corps of Engineers
 - d. role of state agencies
 - e. role of local chamber of commerce, city government
 - f. communities in each state supporting and those opposing project
 - g. communication to congressional leaders, Federal agencies
 - h. role of banks
 - i. influence of railroad freight rates
 - j. types of activities leaders carried out

Part II

2. What efforts have been made to use the navigation system to expand and improve the economy of the community? (Specifically ask about development of port and expanding the industrial base).

- Probe:
- a. role of chamber of commerce
 - b. role of industrial development committees
 - c. port authority
 - d. city government
 - e. county government, development district
 - f. state agencies
 - g. Federal agencies - EDA, HUD, etc.
 - h. activities carried out
 - i. leaders/groups most active
 - j. local banks
 - k. conflicts between groups on course of industrial development

3. What social changes has the navigation system brought to the area?

- Probe:
- a. style of life
 - b. housing
 - c. recreation
 - d. water/sewage
 - e. public schools
 - f. vocational education
 - g. junior colleges
 - h. colleges and universities
 - i. civic center development
 - j. streets and highways

4. What are the major obstacles, if any, to further economic development to the area?

Probe: a. community rivalry
b. state agencies
c. skilled labor supply
d. local amenities
e. land for industrial development/industrial parks
f. lack of capital

Part III

POLICY QUESTIONS

5. Are there any policies which leaders favor concerning use of the waterway?

Probe: a. old or new policies
b. port development
c. management of the river, water level and flows
d. pollution
e. recreational activities
f. developing marinas
g. educating public on importance of the waterway
h. groups and organizations implementing the policy

6. Are there differences of opinion on policies among leaders?

Probe: a. who differs
b. nature of the difference

7. Are there any policies which leaders favor concerning economic growth?

Probe: a. old or new policies
b. types of industry, e.g. heavy or light
c. central offices/services
d. diversification of economic activity
e. attracting industry from overseas/free trade zone
f. rate of growth
g. pollution
h. organizations carrying out the policy

8. Are there differences of opinion on policies among leaders?

Probe: a. who differs
b. nature of the differences

9. Are there any policies favored by leaders concerning improvement of community facilities?

- Probe:
- a. transportation
 - b. convention facilities
 - c. social-such as liquor by the glass
 - d. basic services, e.g., sewage, water, police, fire, sanitation
 - e. education, public school/colleges
 - f. the downtown area (cbd)
 - g. groups and organizations implementing these policies

10. Are there differences of opinion on policies among leaders?

- Probe:
- a. who differs
 - b. nature of the difference

11. Has the image of the community changed in the last five years?

- Probe:
- a. economic
 - b. standard of living
 - c. cultural
 - d. education
 - e. population characteristics
 - f. amenities

Part IV

Leader Networks

12. With which leaders of the community interested in socio-economic development do you generally have the most contact?

- | | |
|----|----|
| a. | f. |
| b. | g. |
| c. | h. |
| d. | i. |
| e. | j. |

13. What kinds of projects are you usually working on with these leaders?

14. With which leaders of other communities interested in socio-economic development do you generally have the most contact?

leader

community

project

a.

b.

c.

d.

e.

f.

g.

15. What kinds of projects are you usually working on with these leaders?

16. With which state leaders or officials do you generally have the most contact concerning economic development?

leader

agency or affiliation

project

a.

b.

c.

d.

e.

f.

g.

Schaffer, Albert.

Social impacts of McClellan-Kerr Navigation System ; a study of public sector response to water resources development : a report / submitted to U.S. Army Engineer Institute for Water Resources ; by Albert Schaffer, Ruth C. Schaffer, Gary M. Halter of Texas A & M University.-- [Fort Belvoir, Va. : U.S. Army Engineer Institute for Water Resources], 1981.

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